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Japan

Official: U.S. Supports Emperor Visit to PRC

OW0308143292 Tokyo KYODO in English 1329 GMT 3 Aug 92

[Text] Tokyo, Aug. 3 KYODO—The United States has thrown broad support behind Japan for a proposed visit to China by Emperor Akihito and Empress Michiko this autumn, a high-ranking government source said Monday.

The source said the Japanese Government has already explained to U.S. officials the possibility of the imperial visit which the government is considering for October.

Foreign Minister Michio Watanabe outlined the possibility of a visit when U.S. President George Bush visited Japan in early January, the official said.

Prime Minister Kiichi Miyazawa also gained the understanding of U.S. leaders when he visited Washington prior to the Munich Summit meeting of leaders of the seven industrialized nations in early July, he said.

Meanwhile, a senior Foreign Ministry official said the imperial visit might be opposed by members of the U.S. Congress because of China's poor human rights record.

The official said, however, "there will be many opinions in the U.S. Congress but there will be no effect on Japan-U.S. relations."

The official said the U.S. mass media could influence the U.S. reaction to an imperial visit. "U.S. interest in Japan is high but it's not ordinarily the center of attention. It depends how the newspapers write about it," he said.

Lawmakers Urge Caution on Emperor's China Visit

OW0408115892 Tokyo KYODO in English 1130 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—Thirty-five parliamentarians are pressing the government to exercise caution in deciding on Emperor Akihito's proposed visit to China, a ruling party Diet member said Tuesday.

Liberal Democratic Party (LDP) legislator Seiichi Eto said he fears the trip could violate the Constitution and lead to international criticism that Japan is insensitive to human rights abuses in China.

A petition signed by the Diet members marks the latest show of defiance among the ranks of the LDP to Prime Minister Kiichi Miyazawa's plan to accept China's invitation for Emperor Akihito to visit during this year's 20th anniversary of normalized relations.

Speaking at a press conference, Eto said, "Under the present political situation, the emperor's visit to China would conflict with the Constitution," under which the monarch has no political role.

He said China is aiming to use the visit to gain political legitimacy in light of international criticism of its repression of human rights and democracy.

Eto said the visit could have an impact on unsettled bilateral political issues, which would clash with the emperor's constitutionally defined role as being limited to the symbol of the state and of the unity of the people.

Among the issues he cited were China's criticism of Japan's insufficient treatment of wartime history in school textbooks, Beijing's opposition to political leaders worshiping the war dead at Yasukuni Shrine, where war criminals are enshrined, and a dispute over sovereignty of the Senkaku Islands in the East China Sea.

Eto said he expects 150 parliamentarians to join the petition, drawn up by the "parliamentarians group for considering the emperor's China visit."

The group plans to examine political developments in China, Beijing's foreign policy, and constitutional issues pertaining to the status of the imperial family, he said.

Last week Miyazawa gained backing from top LDP leaders for the emperor's visit, anticipated in October, but government sources say the final decision is expected to be delayed to later in the month as the party leadership strives to quell opposition.

A top government source confirmed Tuesday that the cabinet would not decide on the emperor's visit by August 11, as had been widely anticipated by the media.

The next earliest opportunity would be August 25, the first scheduled cabinet session following summer holidays.

Eto also told reporters that he has asked the Foreign Ministry to lodge a protest over China's apparent leak to the media of a detailed schedule for the visit, because the trip has yet to be decided.

He said China's alleged action was a breach of faith that could be considered an infringement of sovereignty.

Also Tuesday, the LDP Executive Council listened to views both for and against the trip at its second hearing on the subject.

Takashi Fukaya, former posts and telecommunications minister, said he fears the party opposition to the government's diplomatic plans could elevate the issue into an international problem.

It was the first time that LDP Diet members have spoken out in favor of the visit at council meetings.

The council will reopen the discussion at a meeting Friday.

Report on U.S. Military Cutbacks Plan Viewed

OW0408033892 Naha OKINAWA TIMES in Japanese 2 Aug 92 Morning Edition p 1

[Text] Seven hundred servicemen at Kadena Air Base are to be cut under the second phase of the troop cut plan

(1993-1995) submitted by the U.S. Department of Defense to Congress. With respect to the planned large-scale cuts in U.S. forces in Okinawa after 1995, the Defense Agency analyzes that fewer troops will be cut. This was disclosed by a Defense Agency source on 31 July. The agency believes that the Pentagon has deleted the term "withdrawal and scaleback" from the plan to impress a "strong United States" upon the U.S. public out of consideration for the presidential election. There is a growing view within the agency that the Pentagon is highly likely to announce a new troop cut plan after the presidential election.

OKINAWA SHIMBUN has obtained from the same source the 1992 report on the "Strategic Framework for the Asian and Pacific Region" compiled by the Defense Agency. This report outlines the short-term strategy of U.S. forces in the region. According to the report, the number of U.S.troops in Japan to be cut by 1995 under the plan is 700 airmen assigned to the 18th Tactical Wing at Kadena Air Base and 18 of about 70 F-15 fighters now deployed at the air base will be cut in the course of reorganizing the wing.

The public relations office of the air base has already announced plans to reduce the fighters. Nonetheless, the number of servicemen at the air base will remain unchanged despite the planned cuts because 740 airmen have moved from Clark Air Base in the Philippines to Kadena Air Base following the closure of the former.

According to the same source, the Defense Agency analyzes that the troop cut plan submitted to the U.S. Congress stresses the importance of strategic forward deployment for U.S. forces in the Asia and Pacific region with the aim of appealing to the U.S. public for the need to maintain U.S. influence in the region in the face of presidential elections. There is a growing view within the agency that the Pentagon will announce a new troop cut plan centered around cuts of ground troops in Okinawa after the presidential election.

With regard to the situation in the Asia and Pacific region, the report cites political changes continually taking place in Russia and the DPRK (North Korea) after the collapse of the Soviet Union and points out the nuclear program of the DPRK as a potentially destabilizing factor in the region. The report also indicates that U. S. military bases in Japan will perform the function of quickly deploying troops to any hot spots in the region and the United States will use U.S. forces in Japan to maintain combat capability in the region through the year 2000.

With respect to dealing with surplus facilities of U.S. forces in Japan, the report says that "their possible rearrangement and integration are under way to reduce negative effects on locals."

The report points to Japan's inadequate capabilities in the areas of airborne early warning, ship-based air defense, sea lane defense, ground air defense, and anti-missile defense. The report stresses the need for Japan to build a broad-ranged security system with Southeast Asian nations through bilateral treaties.

Okinawa Governor Ota Discusses Military Bases

OW0408075092 Naha RYUKYU SHIMPO in Japanese 2 Aug 92 Morning Edition p 2

[Text] Governor Masahide Ota held informal talks with the press at the prefectural government building on 1 August. Touching on the issue of selecting the site for constructing a new airport on Ishigaki Island, he reiterated his previous stance, saying: "I plan to make a decision after completing my investigation by the end of September." Concerning the issue of U.S. military bases, he disclosed his views, saying: "After examining the U.S. Defense Department and other related organs, I hold an optimistic view that the retrenchment of the U.S. military bases, including those on Okinawa, will occur at a faster than expected pace." Governor Ota added: "If we do not quickly formulate the Law on Special Measures To Promote the Utilization of Returned Military Land, there will be a delay in our dealing with the situation." He intends to urge the ministries and agencies concerned on the early formulation of the law. Concerning the Tripartite Liaison Council, Governor Ota said: "We plan to hold a meeting by the end of this year."

Participants freely questioned Governor Ota, and he stated his thoughts on various issues.

Concerning the issue of U.S. military bases, Governor Ota said: "Looking at the reports by U.S. newspapers, magazines, and news weeklies, and trends in the U.S. State Department, budget cuts related to military bases are considerable. I have been informed that there will be a 40-percent cut in the budget for overseas military bases." Disclosing such information, the governor said: "The retrenchment of military bases on Okinawa may happen sooner than expected," indicating that he held an optimistic view concerning this matter.

Referring to his contacts with U.S. military authorities in Okinawa, Governor Ota said: "I have felt that the military bases will be retrenched. I have felt favorable signs."

In case the retrenchment of military bases should happen sooner than expected, the governor expressed concern that, to utilize returned land systematically and smoothly, there must be legal backing. He said: "If we do not quickly formulate the Law on Promoting the Utilization of Returned Military Land, there will be a delay in the prefectural government's dealing with the situation." Thus, he further intends to strongly urge the various ministries and agencies concerned to formulate the law.

Noting that the Tripartite Liaison Council formed by the prefectural government, the U.S. military, and the Naha Defense Facilities Administration Bureau is not functioning, Governor Ota said: "We want to hold a meeting as soon as possible, by autumn or by the end of this year," indicating that he intends to actively engage in negotiations to accelerate the meeting.

Russia's Poltoranin Continues Visit Activities

Pledges Efforts for Better Ties

OW0408073992 Tokyo KYODO in English 0714 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—Russian Deputy Prime Minister Mikhail Poltoranin on Tuesday vowed to make efforts to remove obstacles to improved bilateral relations between Japan and Russia, Japanese Foreign Ministry officials said.

Poltoranin told Japanese Foreign Minister Michio Watanabe that Russia's leadership needs to remove those obstacles on the basis of logic and common sense, the officials said.

Poltoranin did not specify the obstacles but apparently meant a decades-long territorial dispute over the Russian-held islands claimed by Japan. The Russian vice premier arrived Monday in Tokyo for a six-day visit to Japan.

Russian President Boris Yeltsin will carry with him a substantial proposal to settle the territorial dispute when he visits Japan in September, officials quoted Poltoranin as saying.

While reiterating Japan's call for resolving the territorial dispute and concluding a bilateral peace pact, Watanabe told Poltoranin that Tokyo is flexible on the timing and methods of the reversion to Japan of the islands.

The former Soviet Union seized the islands at the end of World War II. Japan has long called for the return of the islands—Etorofu, Kunashiri, Shikotan and the Habomai group—which are called the northern territories in Japan.

Poltoranin told Watanabe that Russia, as successor to the former Soviet Union, upholds the 1956 Japan-Soviet joint declaration, in which Moscow promised to return Shikotan and the Habomais to Japan upon conclusion of a peace treaty.

Officials quoted Poltoranin as saying that he planned a visit to Okinawa during his current stay in Japan as part of efforts to settle the territorial dispute. Okinawa, ruled by the United States after World War II, was returned to Japan in 1972.

Poltoranin is scheduled to visit Okinawa on Thursday and Friday, becoming the first senior official ever from the former Soviet Union or Russia to visit there after the war.

A senior Foreign Ministry official said the Russian deputy prime minister is interested in Okinawa's social problems stemming from foreign occupation.

Poltoranin extended an invitation to Watanabe to visit Moscow sometime before Yeltsin comes to Tokyo on September 13, the officials said.

Poltoranin will meet Prime Minister Kiichi Miyazawa on Wednesday.

Proposes U.S. Join Kurils Talks

OW0408134092 Tokyo KYODO in English 1307 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—Russian Deputy Prime Minister Mikhail Poltoranin proposed Tuesday holding negotiations with Japan, Russia and the United States to protect Russia's security interests in resolving a long-standing territorial dispute over Russian-held four islands off Hokkaido.

Warning of a military vaccuum should Russian troops be withdrawn from the islands, Poltoranin said he wanted assurances that U.S. troops would not move in.

Russian President Boris Yeltsin has said the Russian troops on the islands would be removed in one or two years. As of 1991 some 20,000 troops were believed to be stationed on the islands.

Poltoranin, speaking in an interview with NOVOSTI NEWS AGENCY in Tokyo, also called for a discussion of the territorial dispute at next year's annual summit of leaders of Group of Seven (G-7) major industrial nations in Tokyo.

In July Russia roundly criticized Prime Minister Kiichi Miyazawa for taking up the dispute at the G-7 meeting in Munich.

"This is no longer a bilateral issue, it has been internationalized," Poltoranin said in the interview.

Previously Russia maintained that the 47-year-old dispute over four islands off Hokkaido was strictly a bilateral matter.

The deputy prime minister, in Tokyo since Monday to help lay the groundwork for Yeltsin's scheduled visit to Japan in mid-September, said that a 1956 Japan-Soviet joint declaration supporting the return of two of the islands would be "just one of the foundations" for resolving the issue.

"We are abandoning our imperialist way of saying we don't plan to hand over anything, now or in the future," said Poltoranin, one of Yeltsin's trusted aides. Russia will take a "cool" approach to the territorial issue, he said.

Japan is demanding recognition of its sovereignty over all four islands, though it has expressed flexibility on the timing of their actual return.

Major economic assistance to Russia from Tokyo also depends on ending the dispute over Etorofu, Kunashiri, Shikotan, and the Habomai islets, which the former Soviet Red Army seized at the end of World War II.

Poltoranin said, however, that Tokyo should not expect to receive the islands as a gift during Yeltsin's visit, adding that he wondered what Russia would gain if it returned the islands with their rich fishing resources.

Poltoranin is to meet with Miyazawa Wednesday and also is to become the first Russian official to visit Okinawa, returned to Japan by the United States 20 years ago, before his departure Saturday.

Watanabe 'Hopes To Visit Moscow' in Late Aug

OW0408040092 Tokyo KYODO in English 0352 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—Foreign Minister Michio Watanabe reiterated Tuesday that he hopes to visit Moscow late this month to pave the way for a visit to Japan by Russian President Boris Yeltsin scheduled for mid-September.

At a press conference after the day's cabinet meeting, Watanabe said he is considering visiting Moscow before Yeltsin's planned visit to Japan.

Watanabe said that he will make preparations for Yeltsin's trip to Japan as scheduled although he well understands the domestic situation in Russia.

The foreign minister was apparently referring to opposition to Yeltsin's visit to Japan expressed by some members of the Russian parliament.

Watanabe resumed his official duties in mid-July after 43 days of hospitalization for a gallstone operation.

Diplomatic Relations Established With Georgia

OW0308152192 Tokyo KYODO in English 1450 GMT 3 Aug 92

[Text] Tokyo, Aug. 3 KYODO—Japan and the former Soviet republic of Georgia established diplomatic relations Monday, Foreign Ministry officials said. Representatives of the two countries exchanged documents on the diplomatic links in Moscow the same day, the officials said.

Japan recognized Georgia as an independent state in April but had failed to open diplomatic ties because of armed conflicts there. Japan has so far opened diplomatic relations with 10 of the 12 former Soviet republics. It has yet to establish such relations with Armenia and Azerbaijan.

Defense Agency Official Leaves for Cambodia

OW0408070392 Tokyo KYODO in English 0603 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—A senior Japanese Defense Agency official left for Cambodia on Tuesday to arrange a planned deployment of Japanese peacekeeping troops to the war-torn country.

Shigeru Hatakeyama, director general of the Defense Agency's Defense Policy Bureau, will arrive in Phnom Penh on Wednesday following a stopover in Bangkok, officials said.

Hatakeyama is scheduled to have talks with Yasushi Akashi, head of the United Nations Transitional Authority in Cambodia (UNTAC), on Thursday and Friday about the deployment of members of Japan's Self-Defense Forces (SDF) to help reconstruct Cambodia's infrastructure.

While the dispatch of the SDF personnel is expected in mid-October, their number and area of operation have yet to be decided, officials said.

Kuwaiti Minister Arrives on Official Visit

LD3107203792 Kuwait Radio Kuwait in English 1830 GMT 31 Jul 92

[Text] Envoy of his highness the amir, Kuwaiti Information Minister Dr. Badr Jasim al-Ya'qub, arrived in Tokyo on an official visit to Japan to convey a message from His Highness the amir of Kuwait to Japanese Premier, Kiichi Miyazawa. The Kuwaiti minister will hold meetings with other Japanese officials and is scheduled to hold a press conference prior to his departure to other countries within the framework of his Asian tour that took him already to India and to China.

Meets Prime Minister Miyazawa

OW0408074292 Tokyo KYODO in English 0719 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—Prime Minister Kiichi Miyazawa backed Kuwait on Tuesday in a border dispute with Iraq, calling recent Iraqi claims to Kuwait "inappropriate and regrettable," officials said.

Miyazawa told Kuwaiti Information Minister Badr Jasim al-Ya'qub in a meeting at the prime minister's official residence that Japan endorses the borders established by a special United Nations committee and that Iraq should cooperate with international organizations in the release of Kuwaiti prisoners.

Ya'qub is in Japan to request Japanese assistance on the border dispute and in its attempts to achieve the release of Kuwaiti prisoners held in Iraq.

Kuwait is also sending its foreign affairs and oil ministers to all U.N. Security Council member countries to seek their support in its dispute with Iraq.

Crown Prince Returns From Spain, Latin America

OW0408091992 Tokyo KYODO in English 0803 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—Crown Prince Naruhito returned to Tokyo on Tuesday from an 18-day tour of Spain, Venezuela and Mexico.

In Spain, the 32-year-old prince attended the opening ceremonies of the Barcelona Olympic Games, and ceremonies marking Japan day at the World Exposition in Seville.

In Venezuela, Prince Naruhito enjoyed an aerial view of the Guiana Highlands, in addition to participating in formal ceremonies that marked the first visit ever to that country by a member of Japan's imperial family.

In Mexico for the second time, the crown prince spent time visiting Maya ruins.

Peacekeeping Cooperation Law To Take Effect

OW0308135992 Tokyo KYODO in English 1341 GMT 3 Aug 92

[Text] Tokyo, Aug. 3 KYODO—Japan's Peacekeeping Cooperation Law, which allows Japanese troops to join UN peacekeeping activities abroad, will take effect August 10, government officials said Monday.

The government will also inaugurate a headquarters for such missions, headed by Prime Minister Kiichi Miyazawa, the same day, the officials said.

The government will decide at Tuesday's cabinet session on the date of enforcement of peacekeeping ordinances, they said.

The law passed through the Diet on June 15.

The enforcement ordinance prescribes which weapons may be used by Japanese peacekeeping missions, selection criteria for potential participants and their uniforms, and the organization of a headquarters.

The government will immediately begin full-scale preparations to send Self-Defense Forces (SDF) to Cambodia during October, they said.

As a first step, the Defense Agency will send two top officials to Cambodia to hold talks with the UN Transitional Authority in Cambodia to discuss the number of personnel Japan will dispatch and the possible site that SDF members will be in charge of, they said.

The agency also plans to send to Cambodia on August 10 a 20-member mission comprising of SDF experts to prepare for the SDF dispatch, they said.

The United Nations has so far unofficially requested that Tokyo send some 700 people to Cambodia, including a 600-strong SDF corps to help rebuild infrastructures, eight ceasefire observers, 75 civilian police and 50 officials to oversee elections next spring.

Japan's first dispatch will be to Angola as the UN had earlier requested Japanese observers for the upcoming election, the officials said.

The enforcement ordinance of the Peacekeeping Cooperation Law designates possession of two types of weaponry, pistols and rifles. Such weapons are currently used by SDF personnel and police in Japan, they said.

The peacekeeping cooperation headquarters will allow use of the weapons after determining the state of public order at the site and only in the case that the lives of SDF troops are in danger, they said.

But the ordinance falls short of stipulating specific cases where participants' lives would be considered to be in danger.

The ordinance states that SDF members will wear their standard uniforms at the site of the peacekeeping operations but police will wear different uniforms.

The ordinance also obliges members to wear medals and hats provided by the UN as well as Japan's own medals.

Meanwhile, a senior Defense Agency official is expected to go to Cambodia as early as Tuesday to arrange a planned deployment of troops to the war-torn country, government sources said.

Shigeru Hatakeyama, director general of the agency's Defense Policy Bureau, will meet UNTAC head Yasushi Akashi to make final preparations for the deployment, they said.

Cabinet Approves Two Ordinances

OW0408024192 Tokyo KYODO in English 0145 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—The cabinet Tuesday approved two government ordinances to put the United Nations peacekeeping cooperation law into effect on August 10.

Under the new law, the government plans to send some 700 people, including members of the Self-Defense Force (SDF), to Cambodia to help reconstruct the war-torn country.

The law authorizing the overseas dispatch of Japanese troops for UN peacekeeping activities passed through the Diet on June 15.

The government will also set up on August 10 a headquarters headed by Prime Minister Kiichi Miyazawa to deal with such missions, officials said.

The headquarters' secretariat, headed by Shunji Yanai, director general of the Foreign Ministry's Treaties Bureau, will make final arrangements with the UN for the deployment of Japanese troops in Cambodia.

According to the officials, the UN has informally asked Japan to send some 700 people to Cambodia to help rebuild infrastructures, monitor the ceasefire, and oversee elections next spring.

The first group of Japanese personnel is expected to be sent to Cambodia in October.

The ordinance enforcing the law stipulates that Japanese UN peacekeeping cooperation corps members are allowed to carry two types of weaponry, pistols and rifles, to defend themselves, under the authorization of the prime minister.

Diet To View SII Talks Administrative Bills

OW0408032592 Tokyo KYODO in English 0308 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—The government will present to the next ordinary Diet session bills on making its administrative procedures more transparent in response to a recent agreement in Japan-U.S. trade talks, government sources said Tuesday.

The planned bills, to be compiled by the middle of March, are aimed at bringing Japan's administrative procedures more into line with those of other countries by making them more open, the sources said.

The move came in line with an agreement reached last week on the annual follow-up meeting to the Structural Impediments Initiative (SII) talks with the United States.

The agreement, among other things, calls for Japan's submission of bills on enhancing transparency in government practices to the next regular session of the Diet.

Under the bills, being compiled mainly by the Management and Coordination Agency, the government is likely to be required to make public the purposes, concrete steps, and people in charge of its administrative guidance process.

The United States and other countries have criticized Japan's administrative guidance to industry as arbitrary and excessive.

The bills will also set clear standards concerning government permission to various applications from industry, such as those for starting up a business.

In accordance with the standards, the government will be required to decide within a fixed time whether or not to approve such applications and to publish its decisions. When it turns down an application, the government must state clearly the reason for its rejection in writing.

In the case of the government punishing companies for dubious business practices or other infractions, the government will have to notify the firms concerned well in advance of the penalties they are facing, and provide them with opportunities to justify their behavior, according to the sources.

The agency plans to submit the new bills in a package, since they will require revisions of as many as 300 to 400 existing laws, the sources said.

DSP Emerges as No. 3 Opposition in Upper House

OW0308142192 Tokyo KYODO in English 1234 GMT 3 Aug 92

[Text] Tokyo, Aug. 3 KYODO—The Democratic Socialist Party (DSP) has recruited three minor party members to boost its parliamentary strength in the House of Councillors to 12, outnumbering the Japanese Communist Party and the Rengo Sangiin group, each with 11 members, Diet officials said.

The DSP, which was the fifth opposition group in the second chamber before the July 26 election, recruited one member each from Rengo Sangiin, the Peace Through Sports Party and a Rengo-backed independent.

The governing Liberal Democratic Party remained the largest party in the second chamber, with its strength standing at 107, followed by 74 for the Social Democratic Party, the biggest opposition party.

The figures were based on reports submitted to the upper house secretariat.

New Allocation of Seats for Parties in Diet

OW0308142392 Tokyo KYODO in English 1241 GMT 3 Aug 92

[Text] Tokyo, Aug. 3 KYODO—The following is a new table of seats in both houses of the Diet as of Monday. Figures in brackets indicate strength before the July 26 election for the House of Councillors.

House of Representatives	Parties	House of Councillors
277	LDP	107 (114)
136	SDP	74 (72)
45	Komeito	24 (20)
16	JCP	11 (14)
13	DSP/Sports	12 (10)
5	Shinminren	—
—	Rengo Sangiin	11 (13)
—	Niin Club	5 (—)
—	Japan New Party	4 (—)
—	Sangiin Club	—(4)
8	independents	4 (3)
12	vacancies	— (2)
512	total	252

LDP Lower House Member Fumitake Kishida Dies

OW0408003292 Tokyo KYODO in English 2338 GMT 3 Aug 92

[Text] Tokyo, aug. 4 KYODO—Liberal Democratic Party (LDP) Diet member Fumitake Kishida died early

Tuesday morning at a Tokyo hospital after suffering difficulty breathing, his family said. He was 65.

Kishida was first elected to the House of Representatives in 1979 from the No. 1 constituency in Hiroshima Prefecture after serving as director general of the Small and Medium Enterprise Agency.

He had been the chairman of the Cabinet Committee of the lower house.

As a result of Kishida's death, the LDP now holds 276 seats in the 512-seat lower house.

The Social Democratic Party holds 137 seats in the chamber, Komeito 46, the Japanese Communist Party 16, and the Democratic Socialist Party 13.

A total of 11 seats are held by miniparties and independents, with 13 vacancies.

3-4 Trillion Yen Extra Land Purchase Proposed

OW0408060792 Tokyo KYODO in English 0554 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—International Trade and Industry Minister Kozo Watanabe proposed Tuesday that the Japanese Government's planned "advance" land purchasing, intended to boost the economy, should be increased by 3 to 4 trillion yen.

Financial experts expect the land-purchase proposal to be the centerpiece of an upcoming package of pump-priming measures to be presented by the government.

"Local governments now make purchases one year in advance when securing land for public use. I don't see any problem in adding four to six months to this purchasing period," said Watanabe at a news conference after the day's cabinet meeting. The "advance" purchasing of land means that the government will buy land in advance of mapping out specific development projects.

Local governments need 8-9 trillion yen for advance land purchases, he said, suggesting that the government's economic stimulation program should include additional 3-4 trillion yen worth of incentives for such buying.

In its new economic plan, to be released later this month, the government is likely to allow local governments to issue bonds to purchase public-use land without specifying a purpose. The central government would buy up the bonds with money from the additional fiscal investment and loans.

The scheme is aimed at activating currently static land transactions, thereby providing a thrust to the anemic economy.

Watanabe also proposed public-sector land purchases be allowed to have a longer perspective.

"We should allow (the public sector) to issue bonds for projects 10 years from now," he said.

In the public sector, bond issues for land purchases are now limited to projects that will start in five years.

Watanabe also brushed aside concern that government land purchases would trigger another spiral of land prices.

He said the government will buy cheaper land first and ban resale of land which may cause upward pressure on land prices.

Hata Says Banks Can Handle Bad Loans Problem

OW0408050592 Tokyo KYODO in English 0341 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—Finance Minister Tsutomu Hata said Tuesday that Japanese banks can handle the problem of a mounting volume of bad loans, although it may take some time.

Hata told a press conference after a regular cabinet meeting that he thinks Japanese financial institutions will be able to cope with the growing amount of bad loans by drawing on their internal reserves or through other means, but added it will take a while to overcome the problem.

Asked if the Finance Ministry has any plans to urge banks to publish information about their bad loans at the time of their reports for the business year first half ending September 31, Hata said he will consider it.

The ministry said in April that Japanese banks had 7 trillion to 8 trillion yen in nonperforming loans on which they had not received interest payments for six months or longer.

But the amount of nonperforming loans is believed to be expanding rapidly, and concern is growing about Japan's financial system, according to industry sources.

Commenting on the stock market slump, the finance minister said the market remains sluggish mainly because there are no encouraging factors to inspire investors to buy, and not because conditions are worsening anew.

Generally lethargic business activities in summer also cause trading volume to be very thin, he said.

Turning to the recent employment statistics, Hata said Japanese companies are "becoming cautious about hiring workers."

The effective ratio of effective job offers to applications has declined to 1.08, he noted. The figure meant that there are only 108 job offers to every 100 job seekers.

Japanese companies are not laying off their workers as is the practice in other industrial countries, the finance minister said, but admitted they are burdened by an excessively large work force.

"The employment environment is deteriorating, and that means the sense of recession is spreading," he said.

Concerning the problem of foreign labor, Hata said Japan should set clear standards on how many workers it will accept from each country and how long they will be allowed to stay.

These foreign workers, most of whom have entered Japan on tourist visas, tend to be fired first when business conditions decline, he said.

Deporting them or laying them off first when the economy [words indistinct] generate strong anti-Japanese sentiment among them, Hata said.

"We cannot leave the problem unaddressed."

Commercial Banks Said Streamlining Operations

OW0408113492 Tokyo KYODO in English 1019 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—To combat the growing volume of bad loans caused by the collapse of the "bubble economy," major Japanese commercial banks have started streamlining, financial sources said Tuesday.

Most banks are expected to rationalize management by shrinking their work forces and recruiting, and postponing plans for opening new branches in the next fiscal year, which starts April 1.

Mitsubishi Bank will open only about 10 branches in Japan in fiscal 1993, down from about 20 it has opened annually in the past.

Sumitomo Bank, which has set up more than 10 new branches a year, will open fewer domestic branches during the current fiscal year.

Dai-ichi Kangyo Bank, Mitsubishi Bank and Daiwa Bank will curtail new employment by roughly 20 percent when hiring college graduates for future managerial posts.

Mitsubishi Bank also plans to cut back the number of workers hired for clerical work from 1,300 this year to about 1,000 next spring.

A Mitsubishi Bank official said the bank may further reduce the hiring to 800 to 900 unless able graduates are found.

Kyowa Saitama Bank, which was created after a merger between Kyowa Bank and Saitama Bank in April 1991, plans to consolidate 20 branches in the Tokyo metropolitan area to 10 branches in the next two years.

Kyowa Saitama also will reduce its work force of 15,200 by more than 20 percent by the end of fiscal 1995.

Some banks are said to be creating in-house committees to plan restructuring projects to streamline business operations, banking officials said.

Bank of Japan Governor Yasushi Mieno has called for improved management in the banking industry. "Japanese financial institutions should make more self-help efforts like other industries do," he said.

EPA Urges Cooperation in Drafting Pump-Priming

OW0408040892 Tokyo KYODO in English 0350 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—The head of Japan's Economic Planning Agency (EPA) said Tuesday he has asked other government offices to cooperate in working out additional pump-priming measures by the end of August.

EPA Director General Takeshi Noda also told reporters the agency has already started consulting various government offices and will do its best to incorporate as many specific plans as possible in the economic stimulation package.

Prime Minister Kiichi Miyazawa last week told Noda and Finance Minister Tsutomu Hata to compile the package by the end of August.

The government originally planned to draft the package, centering on a supplementary budget for fiscal 1992, by mid-September, but Miyazawa and other government and ruling party leaders, worried about the continued doldrums of the Tokyo stock market, decided to speed up the formulation of the measures.

Unemployment Said Worse Than Statistics Report

OW0408065392 Tokyo KYODO in English 0557 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—Prime Minister Kiichi Miyazawa and other ministers agreed Tuesday at a regular cabinet meeting that Japan's unemployment is more severe than statistics indicate, government officials said.

They said the ministers discussed Japan's employment situation in connection with an announcement last week that the nation's unemployment rate for June stood at a seasonally adjusted 2.1 percent, unchanged from May.

Foreign Minister Michio Watanabe told the meeting that the statistics should be considered against the background of different labor practices in Japan and Western countries, the officials said.

Watanabe noted that Western companies, unlike Japanese firms, tend to resort to mass worker layoffs in bad times.

Miyazawa agreed with Watanabe's assessment, saying that the unemployment problem should not be underestimated.

International Trade and Industry Minister Kozo Watanabe was quoted as telling the meeting that large companies have dismissed few workers but have many latent unemployed workers.

Yoshiyuki Toya, director general of the National Land Agency, said 20 percent of those employed by home building material suppliers are in positions that are not necessary, the officials said.

Finance Minister Rules Out Income Tax Cuts

OW0408070592 Tokyo KYODO in English 0637 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 KYODO—Finance Minister Tsutomu Hata on Tuesday ruled out an income tax cut any time soon, citing falling tax revenues and growing fiscal demand.

"This is not the environment for cutting taxes," Hata told a press conference sponsored by the Japan National Press Club.

He said conditions surrounding tax revenues are quite restrictive, while fiscal demand is surging due to growing expectations of greater international contributions by Japan.

"We have to ask where the fiscal resources for tax cuts are," he said.

On tightfisted lending by Japanese banks, Hata acknowledged that some banks are becoming "overly cautious."

He said there are signs that bank branch managers, not head offices, are quite cautious about lending, especially for real estate transactions.

Hata pledged the Finance Ministry will advise banks not to be too cautious about making loans.

New Postal Saving Tax Exemption Ceiling Studied

OW0308155492 Tokyo KYODO in English 1516 GMT 3 Aug 92

[Text] Tokyo, Aug. 3 KYODO—The Posts and Telecommunications Ministry will study a plan to raise the tax exemption ceiling on postal savings for elderly and handicapped people, ministry officials said Monday. The move is planned in the wake of the ministry's decision to reduce interest paid on postal savings accounts, which will take effect August 17. The interest rate reduction follows the Bank of Japan's cut of the official discount rate last week.

The Postal Services Council, an advisory panel to the posts and telecommunications minister, has suggested that alternative measures are necessary for pensioners and those living on postal savings interest. The tax exemption ceiling of 3 million yen for people aged 65 or more and handicapped people has not been changed in 19 years, since 1973. But consumer prices during the period have risen 2.4 times, according to the ministry, which says the ceiling should be raised to make up the price hikes. It is considering raising the ceiling to 5 million yen, the officials said.

In addition, the ministry is also planning to set a new "preferred" savings system for people aged 40 or more who want to set up postal savings accounts for retirement purposes.

North Korea

Inter-Korean Military Subcommittee Meets

SK0308125292 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 3 Aug 92

[Text] A contact of the members of the Military Subcommittee of the North-South high level talks was held in the conference room of the Neutral Nations Supervisory Commission in Panmunjom today behind closed doors.

Afterwards, a member of our side held a news conference and informed the reporters of the status of the contact. According to him, our side mentioned several principled matters which should be considered at the two sides' members' contact to reach agreement on the subjects of the chapters of the annexed agreement and on the clauses of the agreement and to accelerate the arrangement of the text of the agreement.

Our side noted that these principled matters should be, first, that neither side should blindly oppose the measures on nonaggression which should be included in the annexed agreement, and, second, that neither side should insist on stipulating unjust assertions and clauses in the annexed agreement.

Our side noted, in particular, that the South side, openly revealing its scheme to delay the implementation of the North-South agreement by raising the nuclear issue, which is nonexistent, is attempting to conduct the large-scale Focus Lens joint military exercise against the dialogue partner. Our side made it clear that if the South side continues this reckless act, the North-South relations that have been developing favorably will return to the past of distrust and confrontation. Our side then expressed the hope that the South side will deeply consider this and positively respond to our principled and just opinion.

The South side, while saying that it agrees to our just opinion, attempted to shift the blame onto us over the fact that the nuclear inspections have not been carried out properly. While saying this, the South side made unreasonable remarks, saying that mentioning the Focus Lens exercise is interference in its internal affairs. Our side strongly refuted this logically.

The two sides then began to discuss the text of the agreement based on the drafts of the annexed agreement presented by the two sides.

The South side from the outset opposed the fundamental issues raised in our draft of the annexed agreement, such as the clause on not building up armed forces along the Military Demarcation Line, the clause on banning all forms of reconnaissance activities against the other side, and the clause on not participating in a third country's use of armed forces against the other side. While doing so, the South side suggested that the matters not included in any clause on nonaggression be stipulated in the annexed agreement, and made absurd assertions in an attempt to restore the clauses which it had withdrawn and deleted when the North-South agreement was adopted.

Our side pointed out the South side's unreasonableness by saying that its claim is aimed at constantly reinforcing the armed forces around the areas of the Military Demarcation Line to aggravate tension and confrontation between the North and the South; at constantly conducting reconnaissance against us; and at participating in the foreign forces' aggression against the fellow countrymen.

Our side said that the South side's proposal ignores the documents of the agreement, including the North-South agreement and the agreement on forming and operating the joint committee, which had been adopted and validated. Our side added that the South side's proposal is devoid of independence, because it not only clouds the original purpose of the agreement on the implementation of nonaggression but also does not properly establish the relations between the basic agreement and international treaties.

Our side stressed that the annexed agreement, which should be followed by both sides, should be drawn up to contribute to the North's and South's independent reunification and to be helpful to reconciliation and unity.

At the contact, to produce an annexed agreement at any cost, our side presented a counterproposal and showed tolerance by repeatedly making concessions to the South side. However, the South side came to the table empty-handed, took an unreasonable stance, and resorted to delaying tactics. As a result, fruit was not borne at today's contact.

In summing up the contact, our side stressed that the South side should not conduct the act of reversing the contents of the agreement reached between both sides' subcommittee chairmen; that the South side should come to the table with a revised proposal that can conform to our proposal; and that the South side should have a sincere attitude toward the talks. Our side urged the South side to come to the next contact after deeply studying our reasonable draft text of the annexed agreement.

Both sides decided to hold the next members' contact on 12 August.

North, South Agree on Women's Forum for 1-6 Sep

SK0408140192 Pyongyang Korean Central Broadcasting Network in Korean 1210 GMT 4 Aug 92

[Text] A working-level contact of women of the North and South was held today at the conference room of the Neutral Nations Supervisory Commission to discuss the third forum on peace in Asia and women's role, which will be held in Pyongyang with women delegates from the North and the South and Japan in attendance.

From our side, Yo Yon-ku, Presidium member of the Democratic Front for the Reunification of the Fatherland and member of the Standing Committee of the Korean Democratic Women's Union, and two other female officials attended the contact. From the South side, Yi U-chong, former vice president of the Korean National Council of Churches, and two other female delegates attended the contact.

At the contact, our side pointed out that the forum on peace in Asia and women's role has become a meaningful meeting that greatly contributes to guaranteeing peace in the Far East and hastening Korea's reunification. It went to say: The North and South have adopted and effectuated the Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and South and the Joint Declaration on the Denuclearization of the Korean Peninsula, and their implementation has become the order of the day. The third women's forum will take place at this time. Therefore, not only women in the North and South but also the 70 million fellow countrymen in general expect much from this forum and are very much interested in it.

Our side also said: Women delegates from the North and South must devote their sincerity and enthusiasm to successfully holding the third Pyongyang forum so as to fulfill their heavy responsibility before all the fellow countrymen and all the women in the North and South.

Our side presented a plan on the organization of the third forum. Based on our side's plan, the procedural matters for the third forum were discussed at the contact.

The two sides agreed: The third forum will be held from 1 to 6 September. A total of 30 people composed of five delegates and five reporters each from the North and the South and Japan will attend the forum. The forum's first agenda item will be great national unity and women's role; the second, the Japanese imperialists' aggression and rule of Korea and postwar compensation; and, the third, building peace and women's role. The delegates also agreed to include joint handling of the comfort women issue and the issue of the five Ulsa [1905] treaties as additional agenda items. They also agreed that the delegates from the North and the South and Japan will decide on the inspection tours and itinerary when they gather in Pyongyang and that other matters shall comply with past practices.

Paper Criticizes U.S.-ROK Focus Lens Exercise

SK0108103892 Pyongyang Korean Central Broadcasting Network in Korean 0018 GMT 28 Jul 92

[NODONG SINMUN 28 July commentary: "Where Are They Leading the Situation"]

[Text] A very serious trend is taking place in South Korea, which causes great apprehension among the nation and the world's peace-loving people.

According to a report, the South Korean authorities announced that they will conduct the Focus Lens joint military exercise with the United States from mid- to late

August. This exercise includes the mobilization of ultramodern offensive weapons, including U.S. Forces' F-117 Stealth bombers, AWACS [Airborne Warning and Control System], Patriot missiles, and others, which were used in the Gulf war last year.

The people at home and abroad brand the Focus Len's war gamble, which the U.S. imperialists and the South Korean rulers are planning to hold, as an intolerable crime which goes against peace and peaceful reunification of Korea. They are strongly urging the U.S. imperialists and the South Korean rulers to immediately stop the very dangerous war exercise plan.

The U.S. and South Korean warmongers are raving that the Focus Lens joint military exercise is designed to fill the vacuum caused by the suspended Team Spirit war exercise. They also raved that the Focus Lens exercise is a measure to maintain their joint combat capability, because there is still some doubt concerning our having nuclear weapons. This is a clumsy excuse which can convince no one.

Under the pretext of the suspended Team Spirit joint military exercise, conducting the war gamble of the Focus Lens exercise is only jargon.

Because of domestic and foreign opinion, the United States and the South Korean authorities announced that they will discontinue the Team Spirit joint military exercise this year. They then propagandized that its suspension is designed to ease tension on the Korean peninsula and to improve North-South relations. This proves that they well know that the Team Spirit joint military exercise brings grave consequences to peace on the Korean peninsula as well as progress in North-South relations.

In fact, nuclear war exercises, which are the equivalent to Team Spirit exercises, have been daily conducted from the beginning of this year. So what on earth does the plan of conducting the Focus Lens war exercise to fill the vacuum caused by the suspended Team Spirit joint military exercise mean? This only proves that the Focus Lens joint military exercise is another Team Spirit exercise. In addition, this shows that the United States and the South Korean rulers are giving up on easing tensions and dialogue which they had pretended to be interested in. Their attempt to openly run toward the road of confrontation and war under the pretext of the Focus Lens exercise has been revealed.

Conducting the military exercise under the pretext that doubt concerning our possessing nuclear weapons exists is nothing but a sophistry that convinces no one. The International Atomic Energy Agency's two nonregular inspections of our nuclear facilities has once again confirmed that our nuclear facilities will be used for peaceful purposes.

The United States and the South Korean authorities said that nuclear weapons have been withdrawn from South Korea, where approximately 1,000 nuclear weapons were deployed and secret depots for nuclear weapons existed. However, they are avoiding inspections of U.S. nuclear bases and nuclear weapons in South Korea which could confirm their withdrawal. Thus, the United States and the South Korean authorities are responsible for the suspicion concerning nuclear weapons.

The U.S. imperialists and the South Korean authorities are trying to cover up the danger of the Focus Lens joint military exercise with a clumsy excuse and far-fetched allegation. They cannot deceive anyone with such two-bit sophistry.

The Focus Lens joint military exercise, which the South Korean rulers plan to hold with the U.S. imperialists, is not only an open betrayal of the North-South agreement, but also an intolerable challenge to our efforts for peace. To implement the important agreements, including the nonaggression and the Joint Declaration of Denuclearization agreement which the North and the South adopted and validated, they should stop applying the brakes on their implementation.

The North and the South promised not to fight against each other. They proposed that discarding the past confrontational attitude and stopping the war gamble against the other partner are elementary demands for implementing the North-South agreement.

However, at every contact to implement the agreement, while talking about someone else's nuclear issue which should not become an issue, the South Korean authorities have raved that if the nuclear issue is not resolved, no progress can be made in North-South relations.

The agreement has been validated. However, the South Korean authorities have done much to heighten antagonism against us. The South side's chief delegate to the North-South high-level talks, who is responsible for signing the agreement, said to the flagrant defectors to the South that they should play a major role in restoring the northern half of the Republic. He conducted a government-patronized farce of conferring letters that appointed them as honorary administrative officials on the anticommunist stooges. This is an actual example.

Those who stick to the ambition of reunification by prevailing over communism are increasing military expenses, accelerating reinforcement of armed forces, and frantically running wild in conducting the war gamble against us with the U.S. imperialists.

Some time ago, the South Korean authorities hinted that they will resume next year the temporarily suspended Team Spirit joint military exercise with the United States. If the war exercise against the dialogue partner is conducted, the dialogue will be brought to a breaking point and North-South relations will worsen. The past suspended North-South dialogues provide such a lesson.

It is not a coincidence that the South Korean rulers decided to conduct the Focus Lens war exercise from mid to late August, when the pannational rally, the formation of the National Alliance of Youth and Students for the Country's Reunification, and the exchanges of home-visiting groups of elderly parents and art troupes are scheduled. This reveals their unchanged confrontational stance. This can only be construed as their premeditated move to turn the agreement into a sheet of scrap paper; to bring the North-South relations back to the state before the adoption of the agreement; and, for the present, to put down the growing reunification fervor of fellow countrymen in the North, South, and overseas with the roaring war gamble.

Joint exercises so far conducted in South Korea under the pretext of the Focus Lens exercise were only map exercises. This will be the first time that the Focus Lens is conducted as a real war exercise with the mobilization of real war units and ultramodern equipment. Such being the case, the tension on the Korean peninsula will increase.

The United States said that it welcomed North-South dialogue and reconciliation to ease tension on the Korean peninsula and to achieve peaceful reunification. However, when the agreement and the joint declaration was validated, the United States manipulated the South Korean authorities behind the scenes to prevent the North-South talks from making progress in implementing the agreement and the joint declaration. We should keep this in mind.

The United States, which has become more arrogant since the Gulf war, has openly revealed its vicious plan to gain supremacy over our Republic with armed force. It said that the Korean peninsula is now the most dangerous region in which a regional dispute can take place. It is none other than the United States that has mapped out the 120-day war scenario, babbled about the dispatch of more than 200,000 reinforcement troops to South Korea in an emergency, and concluded the Wartime Host Nation Support Agreement—a war document—with the South Korean authorities.

RisCassi, the U.S. Forces' commander in South Korea, hinted that shortly after the Gulf war ended, weapons and equipment, whose power was demonstrated in the war, would be introduced into South Korea.

Facts show that the U.S. imperialists and the South Korean rulers intend to lead the situation on the Korean peninsula to the brink of war through the Focus Lens exercise.

If the South Korean authorities have even a bit of will for national reconciliation, unity, and reunification, they should not conduct the war gamble against their fellow countrymen by following aggression forces.

The United States should not resort to the anachronistic policy of strength in harmony with the changed situation. They should not inspire the South Korean authorities to confront us any more. They should immediately stop the plan of the joint military exercise. If the United States and the South Korean rulers persistently conduct the Focus Lens joint military exercise, they will be fully held responsible for all consequences arising therefrom.

'Great Leader's Leadership' Over Army Extolled

SK0108133592 Pyongyang Korean Central Broadcasting Network in Korean 0011 GMT 26 Jul 92

[NODONG SINMUN 26 July special article: "The Invincible Might of Our People's Army Which Enjoys the Great Leader's Leadership"]

[Text] Our People's Army is proud of being an invincible, strong army capable of firmly defending and protecting the party, the leader, the country, and the people under any circumstances. The fundamental source of our People's Army's invincibility lies in the wise leadership of the great party and leader.

The dear leader Comrade Kim Chong-il has noted: The most fundamental aspect of our People's Army is connected with the leadership of the leader and the party. We cannot think of the revolutionary nature of the People's Army, its proud history, or its glorious future without thinking of the leader and the party.

The revolutionary army is founded, strengthened, and developed by the leader. The revolutionary army is essentially the defender of the leader's cause. The leader's cause, the revolutionary cause of the working class, is pioneered, advanced, and completed in the fierce struggle against the imperialists and all class enemies. The leader's leadership is a decisive factor that enables us to attain brilliant victory and success in army building and army activities.

The leader defines the ways for the revolutionary army to follow at every stage and puts forth outstanding military strategic policies and tactics so that it can win the battle against the enemy. Because it has the wise leadership of the leader, the revolutionary army can always honorably carry out its mission to defend and protect the party and the revolution and be ever- victorious in the struggle against any strong enemy.

Our People's Army is the army of the leader, the party, and the people. The People's Army is the ever-victorious revolutionary armed force. The respected and beloved leader Comrade Kim Il-song organized its first ranks when he was pioneering the future of the Korean revolution, and he brought it up through the protracted and arduous revolutionary struggle.

The great leader Comrade Kim Il-song, keenly feeling the need for an army of our own to save the nation from the harsh bayonets of the Japanese imperialists, began with two handguns his father bequeathed to him. He was on an untrodden road where everything had to begin from scratch and on a road of bloody battles which had to be trodden amid the fierce struggle against the enemy. Thanks to the wise leadership of the respected and beloved leader Comrade Kim Il-song, our revolutionary armed forces have been able to grow stronger and develop continuously.

With the slogan "A guerrilla unit can no more live apart from the people than a fish can live out of water," the great leader Comrade Kim Il-song exercised his leadership so that the army could faithfully serve the people in perfect harmony with them. The army's spirit of devoted service to the people and its harmony with the people was the source of strength that enabled our revolutionary armed forces to overcome all trials, to grow, and to become stronger.

The Japanese imperialists described the anti-Japanese guerrilla unit as a drop in the bucket; however, a sea of the people with inexhaustible strength was behind it. The people regarded the guerrilla unit as the true people's army. They sent many of their sons, daughters, brothers, and sisters to it and gave it material and spiritual help. Under the great leader's leadership, our anti-Japanese guerrillas were able to win the war against the strong, well-armed enemy in the bitter cold of around 40 degrees below zero because they had the people's warm support and encouragement. The respected and beloved leader's greatness and the wisdom of his leadership lie in the fact that he enabled our revolutionary armed forces to attain continuous victory by leading them in such a way as to faithfully serve and be in perfect harmony with the people.

The great leader Comrade Kim Il-song also led the two revolutionary wars to brilliant victory by leading our revolutionary armed forces with a chuche military idea, strategy, and tactics. Our revolutionary armed forces had to fight an enemy that was incomparably superior in number and military equipment in both the 15-year anti-Japanese revolutionary war and the three-year Fatherland Liberation War.

Knowing that the decisive factor in a war is not arms or military equipment but the ideological and spiritual state of the soldiers who use them, the great leader Comrade Kim Il-song armed the soldiers firmly with the chuche idea and tempered them in a revolutionary manner, thus bringing them up to be true chuche-type revolutionaries and enthusiastic patriots. He thus enabled our revolutionary armed forces to defeat the enemy, which was equipped with modern arms, with the political and ideological superiority of the revolutionary armed forces. Because of the respected and beloved leader's leadership, our People's Army demonstrated in the battle against the enemy the endless loyalty to the party and the leader and the noble spirit of sacrifice and devotion that devotes everything to the country and the people. The People's Army demonstrated unequalled bravery, fighting like an invulnerable body unafraid of death and as a living example of mass heroism.

The great leader Comrade Kim Il-song brilliantly embodied the chuche military ideology, outstanding strategy and tactics, and the refined arts of commanding the army, always leading our People's Army to victory. In the anti-Japanese armed struggle, the respected and beloved leader defeated the Japanese imperialists' army of 1 million with his tactics of infinite variety and elusive movements. In the Fatherland Liberation War, he crushed the U.S. imperialist aggressors' numerical and technological predominance with his original strategy, tactics, and warfare, an historic beginning of the U.S. imperialists' decline.

The chuche strategy and tactics—such as the instant and all-out counterattack against the enemy's surprise invasion, the formation of the second front behind the enemy line with regular units, mountain and night warfare, active defense and attack, the intensive use of gunfire in mountain areas, the mobile artillery company, the campaign of the aircraft-hunting teams, and the campaign of tank-hunting teams—were the major factors that enabled us to defeat the U.S. imperialists who bragged about and trusted their numerical and technological predominance as the way to decisive victory. Truly, the great leader Comrade Kim Il-song was the founder of our revolutionary armed forces, the ever-victorious iron-willed brilliant commander who led the two revolutionary wars against the powerful imperialist enemies to a shining victory, and the military genius who created chuche military ideology, strategy, and tactics and chuche warfare.

Because it has the great leader's leadership, our People's Army not only has a glorious past but has become a glorious revolutionary armed forces with a rewarding present and bright future.

As the leader plays a decisive role in the struggle to found the revolutionary armed forces and strengthen and develop them, so the leader plays a decisive role in the struggle to adhere to their tradition and add luster to them as invincible revolutionary armed forces.

History shows that when the inheritance of leadership is correctly ensured, the revolutionary armed forces can be constantly strengthened and developed. Otherwise, they will fail and change without defending their revolutionary nature.

A brighter prospect lies in the road ahead for our People's Army, because it upholds the dear leader Comrade Kim Chong-il as the supreme commander of the Korean People's Army.

The dear leader Comrade Kim Chong-il is firmly building our revolutionary armed forces into an ever-victorious and invincible one by inheriting the great leader's cause of army building.

The dear leader Comrade Kim Chong-il has expounded the army building line of modeling the whole army after the chuche idea and has established thoroughly the party's leadership system within the People's Army. Thereby, he has strengthened and developed our revolutionary armed forces into a genuine revolutionary army, the leader's army, the party's army, and the people's army which can fight for the party, the leader, the fatherland, and the people, while devoting all.

Along with this, the dear leader Comrade Kim Chong-il has further developed the chuche-oriented military ideology, theory, strategy, tactics, and operational method and has actively realized the modernization of arms and equipment. He has built the People's Army into invincible militant ranks that can defeat any aggressors.

Under the dear leader Comrade Kim Chong-il's leadership, the unitary leadership system and the unit management method of anti-Japanese guerrilla type have been established within the People's Army, and the traditional, laudable virtue of unity between officers and men and unity between the army and the people is being further enhanced. As a result, the appearance of our army as the revolutionary chuche armed forces has been further perfected.

As vigorously demonstrated in the parade marking the 60th anniversary of the founding of the heroic Korean People's Army, our People's Army today takes pride in being the invincible strong revolutionary armed forces firmly prepared politically, ideologically, militarily, and technologically.

It is the consistent will of all officers and men of the People's Army to uphold the respected and beloved supreme commander Comrade Kim Chong-il and to resolutely safeguard and defend the cause of the party and the leader with armed force.

Our People's Army has the lofty revolutionary spirit and the political and moral features of faithfully fighting for the party, the leader, the fatherland, and the people, while devoting everything. It is also firmly armed with modern weapons and modern combat technology and equipment. It also has a high level of military knowledge and technology. Having this mighty and reliable People's Army which is excellently performing the mission of defending the fatherland is a great pride of our party and people.

Our people are today strongly safeguarding the socialism of our own style in the face of the imperialists' maneuvers for aggression and war. This is because we have the People's Army which the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il have strengthened and developed into the invincible revolutionary armed forces.

As in the past, our People's Army will also in the future be constantly strengthened and developed into the invincible revolutionary armed forces. It will strengthen and develop because it upholds the dear leader Comrade Kim Chong-il, the military genius and supreme commander of the Korean People's Army.

Chinese Official Meets With WPK Delegation

SK0308014892 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 29 Jul 92

[Text] Ni Zhifu, vice chairman of the Chinese National People's Congress Standing Committee, met with the South Hwanghae Provincial Workers Party of Korea [WPK] delegation led by Paek Pom-su, responsible secretary of the WPK South Hwanghae provincial committee, on 29 July at the People's Congress Hall in Beijing. Talks were held in a friendly atmosphere.

Present at the meeting were Li Chengren, deputy head of the International Liaison Department of the Communist Party of China, and Pae Yong-chae, charge d'affaires ad interim to China.

Friendship Delegation Meets Lao President

SK3007052992 Pyongyang KCNA in English 0417 GMT 30 Jul 92

[Text] Pyongyang, July 30 (KCNA)—Kaysone Phomvihan, chairman of the Central Committee of the Lao People's Revolutionary Party and president of the Lao People's Democratic Republic, expressed support to the Korean people's struggle for the peaceful reunification of the country, when he met a delegation of the Korea-Laos Friendship Association led by its Chairman Yi Chol-pong, minister of city management, on July 27.

Noting that the Lao party, Government and people regard it as their duty to support the cause of Korea's reunification, he said that they would invariably support the Korean people's struggle to reunify the country in a peaceful way according to the proposal set forth by Comrade President Kim Il-song.

He affirmed that he would make all efforts to further develop the friendly and cooperative relations between the the parties, governments and peoples of Laos and Korea.

He wished the Korean people greater success in the socialist construction and the struggle for national reunification under the wise leadership of respected Comrade President Kim Il-song.

WPK Delegation Returns From Nicaragua 28 Jul

SK0208015592 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 28 Jul 92

[Text] A delegation of the Workers Party of Korea [WPK] led by Yi Mong-ho, member of the WPK Central Committee, returned home from Nicaragua on 28 July by plane.

Kim Yang-kon, vice director of a department of the WPK Central Committee, met the delegation at the airport.

* State Council on Implementing Light Industry

922C0190A Pyongyang MINJU CHOSON in Korean 10 Jun 92 p 1

[By unidentified MINJU CHOSON reporter: "The State Administration Council Adopts Decision on Implementing the Party's Light Industry Revolution Policy More Thoroughly"]

[Text] The State Administration Council recently adopted a decision on implementing the party's light industry revolution policy more thoroughly.

The dear leader Comrade Kim Chong-il pointed out as follows:

"We must hold on firmly to the central task of the light industry revolution and bring about a new turnaround in the production of consumer goods for the people."

The decision, pointing up the goals of our party in the light industry revolution, lists specific measures to further invigorate struggles in various fields to achieve them.

The decision sets forth the task of increasing, above all, the production of mass consumption goods decisively.

In this connection, it calls, first of all, for putting the existing facilities in the textile branch into full operations to increase production to the maximum.

To regularize textile production at high levels through efficient maintenance on facilities and the close planning and coordination of production organization and management, the decision notes, the Light Industry Committee, the State Planning Committee and other committees, ministries and agencies concerned will ensure that factories are properly supplied with needed facilities, equipment and raw materials, including machine tools, special machine tools in particular, knitting machine components, abrasives, various measuring instruments, vinalon, staple fiber, Tetolon, and ginned cotton. At the same time, the decision lists measures to improve the quality of vinalon, staple fiber and orlon, minimizing wrinkle and shrinkage factors, to produce fabrics and knitted clothes smooth to the feel, and to expand the production capacity for them.

The decision, setting forth the task to expand the production of consumer goods for the people, also notes the need for greater emphasis on the shoe industry to meet the public's demands for shoes more satisfactorily.

The decision then refers to specific tasks in this respect to increase the output of various types of shoes to epoch-making levels by working out effective measures to ensure the sufficient supply of raw materials and other materials to footware factories, including crude rubber, accelerating agents, vinyl chloride, plastics, to upgrade the production capacity of leather tanning plants, and to turn out high-quality synthetic leather.

Then, putting emphasis on the importance of developing local industries to increase the output of mass consumption goods, the decision lists these tasks: to make greater efforts in the food processing industry to produce foodstuffs that are both tasty and nutritious in larger quantities, to turn out various kinds of high-quality daily necessities on large scales, to press ahead with local-industry modernization programs vigorously and uninterruptedly, and to improve the supply of raw materials and other materials to local industry plants. The decision also touches on the tasks to readjust and upgrade the existing kimchi factories in Pyongyang City and supply residents in downtown areas with industrially produced kimchi and to build kimchi factories in provincial seats too. The decision also puts forth the task to wage struggles to expand the production of mass consumption goods as an undertaking of the entire masses.

Next, the decision attaches importance to decisively increasing the production of raw materials and other materials for the light industry sector through development of the chemical industry, and stipulates relevant, specific working measures.

Also, stressing the need for launching a vigorous struggle to increase the output of marine products, the decision sets goals of per-capita daily supply of fish and seaweeds for this year and for 1995 and per-fisherman annual catch targets, listing actions to be taken for them.

The decision refers to the tasks to improve commodity supply system and discipline and step up the Chong Chunsil movement in the commercial sector, to step up the positive support of the light industry by all the sectors of the people's economy, and to closely plan and coordinate economic organizational work in order to more thoroughly implement the party's light industry revolution policy. It then lists pertinent, specific working measures.

Finally, the decision instructs committees, ministries, provincial administrative and economic committees, and other agencies concerned to draw their working measures for the thorough implementation of the decision.

South Korea

South, North Women Delegates Agree to Forum

SK0408104092 Seoul YONHAP in English 0903 GMT 4 Aug 92

[Text] Panmunjom, Aug. 4 (YONHAP)—A South Korean woman delegation is set to visit North Korea in early September to take part in an annual forum among South and North Korean and Japanese woman leaders.

At a working-level contact held here at the truce village Tuesday [4 August], woman delegates from the South and the North agreed to hold the third forum on "Peace in Asian and Women's Role" in September 1-6 in Pyongyang.

They decided that a 30-member South Korean delegation would visit Pyongyang to attend the forum, which would comprise five delegates, five press members and 20 support personnel.

They also agreed that the topics of the upcoming forum would be "Grand National Unity and Women's Role," "Japan's Rule of Korea and Reparation," and "Forging of Peace and Women's Role."

The South Korean delegation will enter North Korea at 10 A.M. September 1 through Panmunjom and will return home on the afternoon of September 6.

The tri-country forum was first held in Tokyo in May 1990 and the second forum in November 1991 in Seoul.

Tuesday's contact was attended by Yi U-chong, former vice president of the Korean National Council of Churches: Yi Hyo-chae, former president of the Korean Woman Associations United: and Yun Chong-ok, co-chairman of the Korean Council on Chongshindae ("Comfort Women") Issues, from the South.

Attending the contact from the North were Yo Yon-ku, standing member of the Central Committee, North Korean Democratic Women's League: Chong Myong-sun, councilor, Secretariat of the Committee for Peaceful Unification of the Fatherland: and Hong Son-ok, an office head of the Disarmament and Peace Institute.

Nuclear Issue Resolution 'Main Stumbling Block'

SK0408052792 Seoul THE KOREA HERALD in English 4 Aug 92 p 2

["News analysis" by staff reporter Kim Hye-won]

[Text] The lingering debate between the two Koreas over bilateral nuclear inspections is not likely to end anytime soon and will remain as the main stumbling block in inter-Korean relations.

South Korean negotiators say that the ball is now in the North Korean's court.

"I have to admit that working-level nuclear negotiations between the two Koreas have now reached a limit. What remains now is for North Korean leader Kim Il-song to make a political decision," said Kong No-myong, Seoul's chief negotiator in inter-Korean nuclear talks, yesterday.

Opening military installations to outsiders, as requested by the South, is not a simple military issue. It means a total shift in North Korea's closed-door policy, he said.

"North Korea now has to decide whether to keep refusing mutual nuclear inspections and remain isolated or to give up the nuclear program and live harmoniously with other countries. Only Kim Il-song can make such a decision. Without the decision, further working-level nuclear talks are meaningless," said Kong, a veteran diplomat who is former ambassador to Moscow.

He said stronger international pressure is expected, possibly economic sanctions, if North Korea continues to refuse inter-Korean nuclear inspections.

North Korea, for example, can hardly expect progress in the U.N. Development Program (UNDP) project to develop its Tumen River basin, Kong said.

The two Koreas promised to carry out mutual inspections of nuclear installations in their joint declaration on the denuclearization of the Korean Peninsula signed last December.

But the Joint Nuclear Control Commission (JNCC) has failed to work out regulations for bilateral inspection after seven plenary sessions since February this year and several working-level contacts. The next session is scheduled for Aug. 31.

The two sides, in fact, have not begun full-scale negotiations on inspection rules because of their disagreements over more fundamental issues.

North Korea strongly opposes the South Korean proposal for "challenge inspections" of military sites with 24-hour notice.

Pyongyang, on the other hand, has submitted to inspections by the International Atomic Energy Agency (IAEA).

But South Korea, backed by the United States, Japan and other Western allies, is demanding that the North accept bilateral inspections in addition to IAEA inspections in order to clear international suspicions about its nuclear weapons development program.

They say that IAEA inspections are not enough to deter a country's ambition to build nuclear weapons as Iraq showed.

But Kong agrees that it will take quite some time for Kim Il-song to make a decision. Kim is believed to understand the South Korean position well, he said. Kim Tal-hyon, the North Korean deputy premier who visited South Korea last month, must have conveyed the South's position directly to Kim Il-song after he returned home, Kong said.

Kong said the North Korean leader, however, will have no choice but to submit to international pressure regarding his nuclear weapons program to survive.

South Korea is expected to begin a full-scale diplomatic offensive against the North in international forums next month if North Korea continues to refuse bilateral nuclear inspections at the eighth JNCC session Aug. 31.

South Korean Foreign Minister Yi Sang-ok will try to mobilize international pressure against the North when he meets with his American, Chinese and Japanese counterparts in Bangkok during the fourth ministerial conference of Asia-Pacific Economic Cooperation (APEC) Sept. 10-11.

South Korea is also expected to raise the issue at a meeting of the International Atomic Energy Agency (IAEA) board of governors in Vienna, which is to open Sept. 15.

President No Tae-u is certain to take up the North Korean nuclear issue when he addresses the U.N. General Assembly in September.

The South Korean government, in the meantime, is likely to continue its "carrot-and-stick" policy toward North Korea for the time being despite criticisms from inside and outside for its "inconsistency."

"Small ups and downs will continue to prevail in inter-Korean relations for the time being but there won't be a total collapse or a breakthrough," one official said.

Despite the nuclear debate, short-term inter-Korean issues including the agreed exchange visits between dispersed family members and joint economic projects are not likely to be completely aborted, many North Korea watchers in Seoul say.

North Korea has virtually rejected implementing the family reunion program Aug. 25-28 as scheduled, demanding that the South abandon its hardline stance toward North Korea over the nuclear issue.

But the North is not expected to brave a complete deadlock in inter-Korean relations by aborting the family reunion project, analysts say.

In case the exchange visits between separated family members are aborted, the South Korean government will not be able to honor its promises concerning joint economic projects with North Korea, they warn. When President No Tae-u met with North Korean Deputy Premier Kim Tal-hyon in Seoul late last month, he promised that he would send a group of South Korean businessmen to the North this month for a feasibility study in connection with South Korea's participation in building an industrial complex in North Korea.

Kim Tal-hyon, while in Seoul, also invited South Korean Deputy Premier Choe Kak-kyu to visit North Korea as soon as possible.

"If the family reunion program is aborted, Deputy Prime Minister Choe is unlikely to visit North Korea as scheduled in September. If he does so, the Seoul government will face severe criticism from those who have dispersed family members in North Korea. Neither the South nor the North wants that kind of situation," one official said.

North Predicted To Limit Economic Cooperation

SK0408033992 Seoul YONHAP in English 0135 GMT 4 Aug 92

[Text] Seoul, Aug. 4 (OANA-YONHAP)—Pyongyang will try to minimize the influence of inter-Korean economic cooperation on North Korean society by placing most of the country off limits, South Korean Unification Minister Yim Tong-won [title as received] predicted Tuesday [4 August].

Meaningful Seoul-Pyongyang economic cooperation would require detailed agreements between the two governments on an investment guarantee, avoidance of double taxation and conflict resolution, and official recognition by the General Agreement on Tariffs and Trade (GATT) that inter-Korean trade is domestic trade, he said.

The minister was speaking to executives from conglomerates in charge of trade with North Korea about their future tasks and the prospects for inter-Korean economic cooperation.

Pyongyang would open up only limited parts of Najin, Sunbong, Nampo, Shinuiju and Wonsan for Seoul-Pyongyang economic ventures to limit the social impact of opening, Yim said.

South and North Korea could decide to jointly develop the Demilitarized Zone, he said.

Pyongyang's key aim was to get as much foreign currency as it could with minimal stir at home and abroad, making textiles and footwear the most promising areas for investment, Yim said.

Joint resources development, fisheries and advancement into third country markets were also promising, he said.

North Korea must fulfill conditions for economic cooperation, however, namely accepting inter-Korean nuclear inspection, sincerely implementing family reunion projects and making an effort to correct its concentrated investment in the military and construction sectors, Yim said.

Korea-Japan Parliamentary Union Meets in Seoul

SK3107122892 Seoul YONHAP in English 1148 GMT 31 Jul 92

[Text] Seoul, July 31 (YONHAP)—Secretaries of the Korea-Japan Parliamentary Union met in Seoul Friday [31 July] to discuss the topics of the 20th joint union meeting slated for early September in Tokyo.

At the meeting held at Hotel Lotte, the two sides adopted as topis of the 20th meeting 1) cooperative relations between Korea and Japan, 2) trade imbalance between the two, 3) expanded exchanges in academic and cultural areas, and 4) improved treatment of Korean residents in Japan.

The attending secretaries also agreed to reorganize the existing Korea-Japan economy council into an economy, science and technology council to better facilitate the resolution of economic problems pending between the two countries.

At Friday's meeting, Korea was represented by Chong sok-mo and Japan by Mutsuki Kato, both chief secretaries.

Stalemate in DPRK-Japan Talks Viewed

SK0408005592 Seoul HANGUK ILBO in Korean 3 Aug 92 p 2

[By correspondent Mun Chang-jae from Tokyo]

[Text] With the date for the eighth round of talks on establishing diplomatic relations between North Korea and Japan still undecided, the talks are likely to remain stalemated for some time.

The two sides agreed last May at the seventh round to hold the eighth round toward the end of July.

According to ASAHI SHIMBUN, Japan proposed on 20 July through its embassy in Beijing that talks resume without designating a date. The North side, however, has not yet responded to the proposal.

Because the proposal to resume talks did not specify a date and because North Korea's lack of response are both unprecedented, it is uncertain when the date for the talks will be set.

Japan is being passive about resuming the talks, a reversal of its former attitude, because of North Korea's nuclear issue. When Japan made the dissolution of suspicion by mutual inspection between North Korea and South Korea a new precondition, North Korea balked strongly. NODONG SINMUN has recently denounced Japan for "trying to raise artificial obstacles to the talks by making an issue that has nothing to do with DPRK-Japan talks a precondition."

ASAHI SHIMBUN reported: With Japan as well as North Korean sources who reside in Japan concurring that, "even if talks are held right away, no specific success can be expected," there is doubt that two sides can decide on a date for the talks or that the talks will be successful.

PRC Official Cited on Diplomatic Normalization

SK0408030292 Seoul YONHAP in English 0115 GMT 4 Aug 92

[Text] Tokyo, Aug. 4 (OANA-YONHAP)—A senior Chinese official has said that Seoul-Beijing diplomatic normalization is inevitable while not denying that it could come around November, the Japanese daily NIHON KEIZAI reported Monday.

Zhu Liang, head of the international liaison department of the Communist Party Central Committee, made the comments in talks with Japanese lower house parliamentarian Shinya Totsuka, the daily said.

China wants Japan to speedily improve relations for the sake of spurring South Korea-China ties, Zhu was quoted as saying.

While discussing the situation on the Korean peninsula, the Chinese official called Seoul-Beijing diplomatic normalization an "inevitable course of events," the paper said.

On the timing of such normalization, Zhu said it depended on future progress. Although he would not comment directly, Zhu did not deny speculation that Seoul-Beijing ties would be normalized around November, the paper reported.

On North Korea-U.S. ties, Zhu said he was under the impression that Washington was hurrying to improve relations with Pyongyang.

Kim Tae-chung Urges Meeting With No Tae-u

SK0308152892 Seoul YONHAP in English 1125 GMT 3 Aug 92

[Text] Seoul, Aug. 3 (YONHAP)—Kim Tae-chung, co-head of the major opposition Democratic Party, Monday [3 August] afternoon proposed a meeting with President No Tae-u and Kim Yong-sam, executive chairman of the ruling Democratic Party [as received], to discuss ways to resolve the current political impasse.

Speaking at a party caucus, Kim Tae-chung said, "there can't be any compromise over our stand that local elections should be held within the year, but our party and the people hope for a dialogue, and if a dialogue were to take place, we have to meet with those able to resolve the issue of local elections."

Kim said that the topic of a tripartite meeting should be limited to the local election issue. "However, we may take up other issues as well after the local election question was resolved satisfactorily," he said.

But, Chongwadae [presidential residence] and the ruling party were negative toward Kim's proposal.

"We don't feel the need even to review his offer because the president's policy decision has already been made over the issue of local elections," said Kim Chung-kwon, senior presidential secretary for political affairs.

DLP [Democratic Liberal Party] spokesman Pak Hui-tae, too, said it was not proper to raise the issue again at a time when the president had decided on the postponement of the local elections and when the administration's bill on the elections has already been introduced to the National Assembly.

The ruling camp is bent on passing the local election bill during the current assembly sitting to put off the elections until 1995 whereas the opposition parties threaten to mount a physical resistance to any unilateral floor action by the ruling party.

Party Heads Trade Attacks on Assembly Stalemate

SK0408044592 Seoul THE KOREA TIMES in English 4 Aug 92 p 2

[From the "Press Pocket" column: "YS vs. DJ"]

[Text] Kim Yong-sam and Kim Tae-chung have traded verbal attacks, taking note of each other's name, for the stalemate of the National Assembly.

In the rally to replace the head of the local chapter in Saha, Pusan Sunday [2 August], Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party, opened fire on his DP [Democratic Party] rival Kim Tae-chung, saying, "DP leader Kim has not portrayed himself as a revolutionary but a believer of the parliamentary democracy."

He urged his archrival in the coming December presidential election to attend the Assembly, adding, "A parliamentary democrat should honor the principle of the majority and he (Kim Tae-chung) should be responsible for the current impasse by staying outside the Assembly."

Meanwhile, Kim Tae-chung also heaped criticism on his former opposition "friend" Kim Yong-sam for the deferment of mayoral and gubernatorial elections until 1995 in a meeting with Taegu citizens Sunday.

He said, "With a pity, I appeal to my friend Kim Yong-sam with whom I spent bitter and sweet days of the past 30 years that if he wishes to become president, he should show the attitude of playing a fair game."

Earlier, Kim Tae-chung lashed out at Kim Yong-sam, saying, "He is following the path of dictatorship."

The two life-long rivals have thus far refrained from hurling direct criticisms against one another since they have long fought together for democracy during the past.

Now they are out for the president of the nation. They do not want to be seen engaged in mudslinging in the eyes of the people.

As the election day nears, they are out to engage in mutual criticism, which political observers said was very natural. They said it came rather belatedly.

Government To Allow Foreigners To Work in ROK

SK0308055792 Seoul YONHAP in English 0256 GMT 3 Aug 92

[Text] Seoul, Aug. 3 (YONHAP)—The government and ruling Democratic Liberal Party (DLP) have framed a plan to hire 10,000 foreigners for the so-called 3D (difficult, dirty and dangerous) jobs shunned by local workers, a DLP source said Sunday [2 August].

The government and DLP would relax the rules on entry visas for trainees who want to work at 3D jobs because the manpower problem was getting more serious for medium- and small-sized companies, he said.

The party and government were studying a plan to extend the training period to a year from the current six months, he added.

The official ruled out full-scale hiring of foreign labor and said work visas would be issued preferentially to ethnic Koreans from China and Sakhalin.

The government and DLP will define the scope of 3D jobs open to foreigners on the basis of thorough examination by ministries and the party Policy-making Committee.

The number of skilled and unskilled workers wanted by small- or medium-sized manufacturers was estimated at 366,000 at the end of last year, or a deficiency rate of 25.7 percent.

Government Pushing for Projects in Russia, PRC

SK0108063492 Seoul THE KOREA HERALD in English 1 Aug 92 p 8

[Text] The Korean government is vigorously pushing ahead with plans to create industrial complexes in the Primorsk region of Russia and Tianjin, northern China, according to officials.

The Korea Land Development Crop. (KLDC) dispatched a technology survey team to Tianjin July 26. The delegation is to stay there for three weeks.

KLDC president Kwon Yong-kak will visit the Primorsk region and Tianjin Aug. 2-15, KLDC officials said yesterday.

Kwon will visit the free economic zone in the Primorsk region to study the region's infrastructure such as electricity and telecommunication facilities needed for the construction of a planned industrial estate. He will meet with officials, including the mayor of Nachodka, and discuss such issues as expanding infrastructure and securing manpower, the officials said.

The KLDC is likely to take charge of the government's project to build an industrial complex covering 3.3 million sq. meters in the Primorsk region exclusively for Korean businesses, according to government officials.

The industrial estate, to be completed by mid-1995, will house small-and mid-size firms specializing in electronics, electric and machinery industries, they said.

The KLDC president will tour Tianjin Aug. 10-15 and hold negotiations for the lease of land for the industrial estate with Chinese authorities. He will also deal with such issues as agreements on tax benefits for Korean firms which want to enter the planned industrial complex, officials said.

The visiting technology survey team, headed by Kim Hyon-kak, director in charge of special project promotion, will scrutinize details of the establishment of the industrial complex and gather information necessary for the implementation of the project.

The KLDC plans to sign a contract to lease the site for the planned industrial estate with China by at least next March and start construction two months later, officials said.

Foreign Debt Shrinks First Time in Two Years

SK0108061492 Seoul YONHAP in English 0212 GMT 1 Aug 92

[Text] Seoul, Aug. 1 (YONHAP)—Korea's total foreign debt, in its first decline in two years and four months, shrank by 140 million U.S. dollars in May, the Bank of Korea said Saturday [1 August].

Total foreign debt was 41.45 billion dollars as of the end of May and Korea had 28.22 billion dollars in external assets, up 60 million dollars from the end of April, the central bank said.

Net foreign debt, total debt less external assets, amounted to 13.23 billion dollars, down 200 million dollars from April. Net debt was 3 billion dollars in December 1989.

Total foreign liabilities broke down to 23.55 billion dollars of long-term debts due over one year and 17.9 billion dollars of short-term debts.

Long-term debt grew 360 million dollars and short-term debt shrank 500 million dollars in May, an indication that the debt structure is improving, a bank official said.

Foreign debt shrank partly because of the continuing slide in the current account deficit and partly because the central bank lends foreign exchange to commercial banks at the end of every month and is repaid at the start of each month for their convenience in settling accounts, he said.

Foreign liabilities reached a peak at the end of 1985 of 46.8 billion dollars but plummeted to 35.6 billion dollars at the end of 1987 and 29.4 billion dollars at the end of 1989.

At the close of 1990, the figure was 31.7 billion dollars, and grew to 40.1 billion dollars in February last year.

Total and net foreign debt rose by 7.63 billion dollars last year due to the current account deficit of 8.73 billion dollars.

At the end of 1991, total foreign debt was 14.5 percent of the gross national product, up from 13.3 percent a year before.

First Half of 1992 Sees $4.1 Billion Deficit

SK0108070692 Seoul THE KOREA HERALD in English 1 Aug 92 p 8

[Text] Korea suffered a $4.1 billion deficit on the current account in the first half of the year, with a $378 million deficit registered in June, the Bank of Korea said yesterday.

The first half figure compares with a $5.5 billion deficit recorded in the same period last year.

The trade balance marked a $2.9 billion deficit during the first six months of the year, sharply down from $4.8 billion a year earlier.

The nation's current account deficit expanded from $124.3 million in May to $378 million in June, largely because of a sharp rise in the invisible deficit.

The nation's invisible balance recorded $114.2 million in the red in June, sharply up from $77.9 million in the preceding month, because of high increases in the payment of royalties and transportation-related charges.

The trade deficit declined from $74.7 million in May to $35.4 million in June, showing a continued downward trend in recent months.

Exports increased by 5.9 percent over a year earlier to $7.1 billion in June, compared with a 3.1 percent growth in May, bringing total exports during the first 6 months to $36.7 billion.

Industrial chemicals and vehicles showed brisk activity, while footwear and textiles suffered a setback.

Imports expanded by 9.1 percent from a year ago to $7.2 billion in June, compared with a 1.7 percent drop in April and a 3.8 percent fall in May.

The sharp rise was largely ascribable to the steep increase in imports of oil and consumer goods.

Imports of oil increased by a whopping 59.9 percent over a year earlier from $528 million worth in June 1991 to $844 million worth in June this year.

Meanwhile, imports of consumer goods, which showed a downward trend in recent months, expanded by 16.3 percent over a year ago to $610 million in June, compared with a 2.5 percent drop in April and a 3.6 percent fall in May.

In particular, beef, marine products and VCRs showed the most brisk import growth in June.

Imports of merchandise for domestic consumption also soared by 8.4 percent to $4.8 billion in June, compared with a 3.3 percent drop the preceding month, while import of goods needed for export items showed 10.5 percent growth, compared with a 4.9 percent fall in May.

The nation recorded deficit in trade with all foreign countries, except the United States and Southeast Asian countries.

The trade balance with Southeast Asian nations marked a $760 million surplus, slightly up from $700 million surplus in May.

The net transfer balance registered a $50 million surplus in June, compared with a $28 million surplus in May.

The nation's foreign exchange holdings declined by $770 million from the preceding month to $14.56 billion as of the end of June.

1992 Major Export Products Statistics Noted

SK0308151392 Seoul YONHAP in English 0554 GMT 3 Aug 92

[Text] Seoul, Aug. 3 (YONHAP)—On the top 10 chart for exports, petroleum products, textiles and transport machinery are moving up the rankings while fibers, electric home appliances and footwear are slipping down.

Petroleum products have shot up the chart from 10th to seventh in the first five months of 1993, the Korea Trade Promotion Corp. (Kotra) said Monday [3 August].

Samsung General Chemical Co., Hyundai Petrochemical Co., and Lucky Petrochemical Co. increased their capacity last year and exported their surplus to China and Southeast Asia. The result was 1.35 billion U.S. dollars in exports of petroleum products in January-May, 57.3 percent up from the same period last year.

Ship exports, due to brisk demand for offshore oil rigs, hit 1.39 billion dollars, 34.9 percent up from January-May last year.

Textile exports soared 25.8 percent into third place at 2.73 billion dollars, overtaking electric household appliances.

Transport machinery, including cars and forklift trucks, electronics parts, steel products, and industrial electronics increased between 2.8 percent and 15.8 percent. Industrial electronics climbed one notch to sixth.

Footwear fell 17.8 percent to 1.35 billion dollars, and electric household appliances dropped 21.1 percent to 2.32 billion dollars.

Fiber products slid 1.7 percent to 2.97 billion dollars.

The top ten exports decreased slightly from 71.3 percent of total exports last year to 70.9 percent this year.

Ministry on Foreign Discrimination Against Banks

SK0308152692 Seoul YONHAP in English 0945 GMT 3 Aug 92

[Text] Seoul, Aug. 3 (YONHAP)—South Korea will react strongly to discrimination against Korean financial institutions in foreign countries, a Finance Ministry official said Monday [3 August].

The Ministry has ordered 15 financial attaches in 13 countries to reports on discriminatory measures taken against Korean financial organizations in the countries of their residence.

It will compile a comprehensive report in April every year and use it, in such international or bilateral forums as the Uruguay Round or Korea-U.S. financial talks, for urging the relevant governments to solve problems facing Korean financial bodies under the principle of reciprocity, the official said.

This means Korea has dropped its negative stand, in which it accepts calls for financial market opening without asking for anything in return, and will take a positive stance to convey its discontent to the concerned countries.

Branches of Korean financial organizations will be instructed to use their consultative meetings as a channel for exchanging information and discussing measures to cope with their difficulties. Their conferences will be advised to split into three sectoral subcouncils to specialize in banking, securities and insurance respectively.

Financial attaches will also be asked to file information on financial systems and major policy changes in the countries of their residence.

Currently, 92 banks, 32 securities companies and 26 insurance firms of foreign origin have operations in Korea while Korea maintains a total of 269 branches or representative offices—179 of them are from banks, 54 from securities companies and 36 from insurance firms—abroad, according to the Ministry.

Microchip Exports Soar in First Half of Year

SK0408030492 Seoul YONHAP in English 0144 GMT 4 Aug 92

[Text] Seoul, Aug. 4 (YONHAP)—Microchip exports soared 22.3 percent to 3.38 billion U.S. dollars in the first half of the year on increased demand in Southeast Asia led by Singapore and Hong Kong, an industry source said Tuesday [4 August].

Anam Industrial Co., the world's largest chip assembler, had exports of more than 1 billion dollars in January-July, 31 percent up from the same period last year, and is expected to easily reach 1.7 billion dollars by the end of the year.

Hyundai Electronics Co., an affiliate of the Hyundai Group, raised chip exports to 240 million dollars, up 139 percent, and semiconductor assembly is looking prosperous.

Microchip makers owe their overall export boom to expansion of the Southeast Asian market and worldwide business briskness, the source said.

* Government Considers Sending Troops Overseas

* First Destination: Cambodia

922C0202A Seoul HANGYORE SINMUN in Korean 20 Jun 92 p 1

[Text] Our government is positively studying the question of sending ROK troops overseas to participate in UN peacekeeping operations (PKO) from the point of view of contributing to international peace as a UN member and coping with the Japanese moves for becoming a major military power.

The first dispatch of ROK troops is expected to take place early next year if things go well. Cambodia is the first destination under consideration. Mainly an administrative unit and an army medical group will be dispatched to carry out noncombat duties such as observation of the truce line, policy duties, and assistance in refuge settlement.

The Foreign Ministry held a meeting on 19 June to review the ROK foreign policy toward Japan in view of the passage of the PKO bill at the Japanese House of Representatives and other related developments. The meeting was presided over by Foreign Minister Yi Sang-ok and attended by Yi Sung-kon, chief of the Office of Foreign Policy Planning; Kim Sok-u, director of the Asian Affairs Bureau; and other officials. The meeting decided to positively study the Defense Ministry proposal for sending ROK troops overseas.

Following the ROK admission to the United Nations in last September, the Defense Ministry began to call strongly for sending ROK troops overseas to participate in UN peacekeeping operations in order to contribute to international peace and security. More recently, as the Japanese move to dispatch troops of the Japanese Self-Defense Force [SDF] overseas for peacekeeping operations took concrete shape, the Defense Ministry on numerous occasions presented its view favoring troop dispatch overseas.

At the 19 June conference Foreign Minister Yi said, "Our country has been asked to contribute to UN peacekeeping operations as a middleweight UN member possessed with considerable economic power. Besides, we were able to repel aggression with the aid of the United Nations in the Korean war. We should therefore make a due contribution to UN activities." Reportedly, he instructed the officials present to positively study the Defense Ministry plan for sending ROK troops overseas.

Sending ROK troops overseas being a delicate issue, the minister instructed the officials to minutely study all aspects involved, such as prospects for obtaining the approval of the National Assembly, public opinion, and the political and economic conditions at home, and on this basis, to consult with other ministries concerned.

Last October, shortly after the ROK admission to the United Nations, our government received from then UN Secretary General de Cuellar the request that our country specify the fields of UN peacekeeping operations in which it could participate and inform him of its willingness to cooperate. In response, our government submitted a list of possible fields of cooperation, such as financial support, manpower support, including troops, and material support. Concerning the question of dispatching troops, however, the government in its reply was noncommittal stating that its approach to the troop dispatch issue would depend on our domestic condition.

The United Nations has a budget of $1.9 billion for its peacekeeping operations in Cambodia, which require a total of 22,000 personnel including 15,900 troops. The operations will continue through next August. Twenty seven countries, including China, Australia, and the Philippines, have already dispatched or plan to dispatch their troops. The United States, the United Kingdom, and Japan are in a hurry to come up with plans to join with these countries send troops.

A Foreign Ministry official said: "To dispatch ROK troops to Cambodia, we need to meet all necessary requirements, such as obtaining the consent of Cambodia; maintaining the neutrality as a country sending troops; and refraining from the use of military force except for self-defense. In the event our country decides to participate, it will be able to meet all these requirements without difficulty."

Aside from its affirmative study of the ROK troop dispatch issue, the government plans to send a group of eight administrators to participate in the UN peacekeeping operations in Cambodia.

* Mixed Interagency Views

922C0202B Seoul HANGYORE SINMUN in Korean 21 Jun 92 p 3

[Article by reporter Pak Chong-mun: "Inside and Outside of the Government's Study of Overseas Troop Dispatch Issue"]

[Text] Following the ROK admission to the United Nations last September, the government adopted the policy of actively participating in UN peacekeeping operations, and since then has studied in depth plans to dispatch ROK troops overseas.

The government tried hard to maintain the secrecy of this decision for fear of all the possible domestic and international ramifications that might ensue from a disclosure to the effect that it was studying technical aspects of troop dispatches in great detail, however.

The Defense Ministry began to thresh out a troop dispatch plan last year and subsequently presented to the Office of the President and interested Ministries. Recently, the Foreign Ministry decided to take a stance in favor of this plan, but it concealed this decision to outsiders in view of the complexity of the political ramifications that might ensue from its disclosure.

On 20 June a Foreign Ministry official said: "Since the ROK admission to the United Nations, the government has continually studied a plan to send our troops overseas. Because of various reasons, however, it is putting off a final decision on the matter. It is still premature to announced this plan in public." Another high-ranking official did not deny that a troop dispatch plan is under study when he said, "when the press becomes too hasty and makes premature reports of the plan, it will make things all the more difficult."

The Chongwadae, which takes a cautious view of the troop dispatch plan being pushed by the Defense Ministry, is most afraid of the possible effect of the plan on domestic politics. The cautious stance stems from the political consideration that if the troop dispatch issue suddenly crops up at a time when the economy is in difficulty and the next presidential election is scheduled for late this year, public opinion will become unfavorable to the government and its party.

In the past the Foreign Ministry from a diplomatic consideration showed a cautious attitude in line with the Chongwadae's approach. The Foreign Ministry maintained, among others, that it would not hold water if we dispatched troops overseas while objecting to Japan's plan to send troops of SDF troops overseas. The ministry also had doubts as to whether the ROK would be smoothly accepted by the community of nations if it appeared on the scene by sending troops overseas despite its peculiar circumstances as a part of a divided country.

The Foreign Ministry has made an about-face in favor of dispatching troops overseas on the grounds that active participation in UN peacekeeping operations is the basic policy in our UN diplomacy, however. The change was prompted in particular by the fact that dispatching SDF troops has become a fait accompli.

A Foreign Ministry official said, "At this juncture, when the government already decided to send eight Koreans to the provisional administration of Cambodia to participate in UN peacekeeping operation as election observers, there is no reason why we cannot send peacekeeping troops to observe the armistice and provide medical service." He added, "it is difficult to make a final decision because the public lacks a full understanding of the meaning of sending ROK troops overseas," however.

The same official cited the following fact as an example of the lack of understanding: the public has the wrong idea that combat troops will be sent abroad to engage in combat activities and that a considerable amount of the national budget will be needed to finance troop dispatches.

The same officer said : "We have to have the public fully understand that when a UN peacekeeping force is dispatched, it will only engage in noncombat duties except for self-defense, and that such troop dispatch requires no extra funding." Since our country became a member of the United Nations, we have been obligated to foot a certain percentage (0.138 percent) of the total cost of global UN peacekeeping operations. The total UN budget for peacekeeping operations relative to the provisional administration of Cambodia is set at $2 billion. Our county is required to contribute about $2.7 million over three years from 1992 through 1994. We must pay this share regardless of whether we directly participate in UN peacekeeping operations or not. If and when the government sends troops to Cambodia, the expenses will be disbursed from the UN budget for peacekeeping operations.

The strong desire of the Defense Ministry, the about-face of the Foreign Ministry, and the sympathetic stand of the Agency for National Security Planning [NSP] are gradually gaining ground on the Chongwadae's cautious stance toward the troop dispatch issue. Accordingly, the issue could be settled momentarily, depending on the decision of the highest decision-making authority.

On the other hand, we cannot rule out the possibility that the Chongwade will put off its decision on this issue because of the political sensitivity of the issue. At any rate it may be said that the plan to send ROK troops overseas—which is being pressed for from the viewpoint that we have to make a due share of contribution to various UN activities as its middleweight member and that in the international arena, we need to cope with Japanese moves to become a major political-military power—is in the stage of finishing touches, the only important remaining subject being the timing for execution.

Nevertheless, the demand is being voiced in some quarters that the government put the matter to National Assembly deliberation without fail and try to secure a full national consensus, in view of the fairly strong body of public opinion which takes a dim view of the troop dispatch issue.

* New Defense Policy Faces Uphill Battle

922C0186A Seoul TONG-A ILBO in Korean 12 Jun 92 p 9

[Article by reporter Kim Chae-hong: "Navy and Air Force Buildup Faces Uphill Battle"]

[Text] There is a rising voice demanding that the government speed up the implementation of a new mid- and long-term defense policy by looking into the 20th century. But, the debate over the substance of a new defense policy is likely to continue because of a lack of consensus between the civilian and military communities regarding the question of what the optimum scale of the military budget should be. Since last year, the Defense Ministry has been giving final touches to a new defense policy and military strategy for the mid-1990's to insure that our country will not be overwhelmed by the military potential of the neighboring countries such as Japan, China, and Russia as we brace ourselves for possible change in the security environment surrounding a reunified Korea while coping with the potential threat from North Korea. The essence of the new policy is the research and development of high-tech weaponry and defense industry-related technologies; buildup of war potential with emphasis shifted from the ground forces to the Navy and the Air Force; and military power allied with foreign countries to supplement our own self-defense capability.

Explaining the expenditures in the defense budget request for the 1993 fiscal year, (Army Major General) Kim Chong-pae, Defense Ministry strategic planning officer, candidly stated that although we need to shift the direction of our security strategy to place emphasis on investments in high-tech weapons research and development, there is a limit in our ability to realize this shift within the current budget scale.

He said that he understands that the public opinion favors reducing the size of our military forces and converting our military strategy to a technology-intensive type to take the lead in the North-South moves for reduction of forces. He produced relevant data to explain the enormous difficulties encountered in effecting this conversion because it requires a huge defense budget, however.

According to him, the modernization of equipment, the conversion of our strategic structure to a technology-intensive type, and the augmentation of the Navy and the Air Force are a prerequisite for reducing forces and yet insuring no damage to our overall war potential.

He pointed out that various models should be studied before adopting a force reduction plan. The current organization of our military forces is manpower-intensive, with officers accounting for 9.7 percent, noncommissioned officers 16.5 percent, and soldiers 72.8 percent.

In the United States, the composition is similar to our model, with officers accounting for 14.1 percent, noncommissioned officers 16.5 percent, and soldiers 63.3 percent. But the ratio of cadres, including technical experts, is higher than the corresponding ratio in the ROK Armed Forces.

In Japan, the percentage of officers, noncommissioned officers, and soldiers is 15.2 percent, 46.9 percent, and 35.8 percent, respectively. Japan's is a typical model centering on noncommissioned officers, with technical professionals accounting for the bulk of the forces.

This graphically shows that despite the relatively small size of their military personnel—which number 246,500, less than half of our personnel strength—Japan's Self-Defense Forces are an elite, high-tech Army with emphasis on the buildup of its overall war potential centering on the Navy and Air Force.

Considering examples in foreign countries, the Defense Ministry is studying these four options: 1) reducing only enlisted men within our force structure; 2) reducing the manpower across the board at an equal rate; 3) introducing the model of the U.S. Armed Forces; 4) introducing the model of the Japanese Armed Forces.

The estimated annual budgetary savings generated by a military personnel reduction of 100,000 men are 107 billion won in case only the number of enlisted men is reduced, and 550 billion won in case of an across-the-board reduction at an equal rate. But, according to a Defense Ministry official, if the force structure is to be remodeled after the model of the U.S. forces simultaneously with reduction of forces, the budget will rather increase by 840 billion won; and in case the Japanese model is to be adopted, the defense budget will increase by as much as 3 trillion won.

In case our force structure is to be remodeled after the technology-intensive U.S. or Japanese model, it will increase the manpower cost, and more importantly, require a huge defense budget to provide funding for supplementary measures incident to the shift in our military strategy.

Moreover, in our defense against North Korea, we have so far been responsible for ground defense only, leaving air and sea defense almost entirely to the United States. But to achieve an air and sea self-defense capability under a mid- and long-term strategy geared to the post-reunification period, the current defense budget scope is utterly inadequate, according to the defense ministry authorities.

Some civilian experts on military strategy say that to sell Patriot missiles, Apache helicopters, and other ground force weapons, the United States is urging that the ROK "spend the money for attaining an adequate weapons system for the ground forces instead of spending it for a buildup of the Navy and the Air Force."

In the opinion of some civilian strategic experts, however, we should not leave ourselves dependent forever on a foreign country for our air and sea defense, given the change in the strategic equation in the surrounding areas, as demonstrated by the tangible expansion of the scope of military activity of the Japanese Armed Forces as a result of the enactment of the law on the peacekeeping operation (PKO).

According to the Defense Ministry, the cost of a destroyer is 163.5 billion won and that of a submarine ranges between 100 and 140 billion won. This gives a glimpse of the magnitude of the cost that will be incurred in building up the naval and air power. The price of a fighter plane (KFP) is 30.9 billion won. It is a very difficult task indeed to beef up the naval and air power within the budgetary limits.

In this connection, the Navy claims that a naval buildup will not necessarily be all minus when we consider the trickle-down effect that the construction of naval vessels will have on our domestic industries as well as the contribution it will make in protecting our maritime interests.

The fact that the percentage of the research and development (R&D) expenditures to the total defense budget has ranged between 1.8 percent (in 1990) and 2.2 percent (in 1992). The small percentage of the R&D budget also poses a problem when viewed from the standpoint of its minor tickle-down effect on our domestic industries and from the standpoint of a long-term investment strategy.

The meager research and development expenditures in our defense budget are another example of how the immediate need for national security pushes our long-term defense strategy into the background.

Rising in the military is the voice demanding that although our defense budget is minuscule compared with the huge defense outlays of the big powers, our defense expenditures be reallocated within the given budgetary limits from a strategic point of view.

At his recent press conference, a high-ranking Defense Ministry official said in the same vein; "We should not be so steeped with concerns about North Korea that we may be unable to look toward the future and pursue a mid- and long-term defense strategy."

He said; "the Army has never objected to the view that the ground forces should be reduced but the Navy and the Air Force should be increased on the other hand."

Defense experts point out that the problem is that our mid- and long-term defense policy still remains in the process of conceptual formulation and not in the stage of implementation with determination.

* Poll Shows Dissatisfaction With Leadership

922C0181A Seoul HANGUK ILBO in Korean 9 Jun 92 p 25

[Article by reporter Cho Chae-yong: "Leadership Image Preferred by Korean People as Reflected in a HANGUK ILBO-Media Research Poll"]

[Text] The results of the "nationwide opinion poll on the desirable image of leaders" conducted by Media Research, a public opinion research agent, at the request of HANGUK ILBO indicate that overall dissatisfaction with present political leaders remains as strong as ever. The results also show that widespread among the public is the desire for change, as well as the expectation that leaders will attain the image which the public thinks is ideal for them. The survey was conducted in the form of a telephone interview with 1,000 adult men and women of 20 and over selected from among residents throughout the country, except Cheju Province, by a proportional allocation and systematic sampling method. The maximum permissible error of the sample is plus and minus 3.1 percentage point with a reliability of 95 percent.

Whether or Not There Are Trusted Leaders To the question whether the pollees find someone among the present leaders whom they trust or support, 54.8 percent replied "Yes." On the other hand, a relatively high percentage of 45.2 percent said "No."

The younger the age, the higher the percentage who said "No," with 52.3 percent of the respondents in their twenties answering in the negative. This tendency was strong among highly educated people, with 51.8 percent of college students and college graduates saying "No."

By area, more than half the pollees in Seoul (51.0 percent), Kyonggi (53.7 percent) said "No." The percentage in the Chungchong area was relatively high with 45.9 percent. This is indicative of the political propensity of the residents in the central part of the country. On the contrary, the percentage who said "Yes" was 70.8 percent in the Cholla area, 57.7 percent in the Kyongsang area, and 60.5 percent in Kangwon Province.

Reasons for Having No Leaders To Support

When those eligible voters who said there were no desirable leaders were asked why they thought so, 28.3 percent of them mentioned "the lack of qualities on the part of political leaders" as one of their reasons. This reason topped the list.

"Public indifference to politics as it is being practiced now" accounts for 18.8 percent of those who said they have no desirable leaders, "the undemocratic nature of the way the political parties are being managed" accounts for 16.8 percent, and "the failure of existing politicians to train the younger generation of politicians" accounts 15.0 percent.

However, when the pattern of political activity and the operation of political parties are lumped together in one category, the "undemocratic nature" tops the list with 33.6 percent of all reasons, indicating the political backwardness of our country.

Essential Requirements for Leadership

Among the criteria regarded as important in evaluating leaders, political ability ranked first with 26.6 percent of the answers. The moral fiber and the degree of contribution to democratization also ranked nearly as high, both accounting for 24.4 percent of the answers.

Next came intelligence with 10.1 percent of the answers and policy ability with 8.6 percent. Those who are partial to their own parties accounted for only 1.6 percent, indicating general preference for a political structure which operates on the basis of the leader's personal qualities in preference to the ideals of the party.

Nevertheless, moral fiber was regarded as the most important criterion among the respondents in Seoul (25.9 percent), Kyonggi (31.1 percent), and Kangwon (39.5 percent). On the other hand, in the Cholla and Kyongsang areas those who chose the degree of contribution to democratization accounted for a higher percentage than in other areas, with 26.2 and 28.7 percent, respectively.

Evaluation of President No's Leadership Caliber

On the question of President No Tae-u's leadership ability, the answers were given in this order: "somewhat dissatisfied" 47.0 percent, "satisfied overall" 30.2 percent, "very much dissatisfied" 19.0 percent, and "highly satisfied" 2.9 percent.

In other words, 66 percent expressed dissatisfaction with President No's leadership ability, exceeding the satisfaction rate of 33.1 percent.

The younger the age and the higher the educational background, the more intense the feeling of dissatisfaction, reflecting the general drift of the critical attitude toward politics.

In Seoul and Kyonggi "somewhat dissatisfied" and "very much dissatisfied" accounted for 75.7 percent and 71.6 percent, respectively; and in the Kyongsang and Cholla areas the percentage stood at 64.6 percent and 61.7 percent, respectively. In Kangwon province, on the other hand, 47.4 percent said "satisfied overall" and 2.6 percent said "highly satisfied" whereas 28.9 percent said "somewhat dissatisfied" and 18.4 percent said "very much dissatisfied."

Evaluation of Abilities of Other Political Leaders

On the evaluation of the leadership abilities of political leaders other than President No, 72 percent of the pollees expressed dissatisfaction, a higher percentage than the percentage of dissatisfaction with President No.

The answered were in this order: "somewhat dissatisfied" 51 percent, "satisfied overall" 24.3 percent, "very much dissatisfied" 21 percent, and "highly satisfied" 1.8 percent.

By area, in Seoul 84.9 percent of the respondents gave a negative evaluation (with 51.4 percent saying "somewhat dissatisfied" and 33.5 percent "very much dissatisfied"), followed by Kyonggi with 79.8 percent, Kyongsang area with 67.2 percent, Cholla with 66.9 percent, Kangwon with 63.2 percent, and Chungchong with 52 percent.

As for the positive evaluation of leaders of the ruling and opposition parties, the Chungchong area topped the list with 44.9 percent of the respondents giving a positive evaluation.

Problems With Leaders

Among the pollees who expressed their dissatisfaction with political leaders of the ruling and opposition parties, 47.4 percent, or nearly a majority, mentioned their inordinate ambition to grasp the presidential power as the greatest trouble with leaders.

As other problems, 14.7 percent mentioned the paucity of policy; 11.8 percent, regionalism; 10.4 percent, failure to assimilate public opinion; and 9.3. percent, anachronism. But these figures are very low compared with the percentage of the pollees who are concerned about the inordinate ambition for the presidency.

By area, the kangwon area topped the list in terms of the percentage of the pollees who mentioned the inordinate ambition for the presidency as the greatest problem with political leaders, with 66.7 percent, followed by Kyonggi with 50 percent, Chungchong with 48.1 percent, Seoul with 47.2 percent, and Kyongsang with 46.7 percent. In the Cholla area 23 percent mentioned regionalism as the number one problem as against 10 percent or so in other areas.

Among supporters of political parties, 57.1 percent of the pollees who support the Sinjong Party mentioned the inordinate ambition for the presidency to become president as the greatest problem with politicians, followed by the supporters of UNP (53.7 percent), the DP (45.9 percent), and the DLP (39.4 percent).

Method of Generational Shift

To the question about replacing present political leaders with the younger generation of politicians, an overwhelming 77.6 percent said that shift in generation "should take place naturally through the electoral process," followed the answer in favor of an "immediate shift" accounting 10.9 percent, those who chose the answer "as it is" accounting for 5.6 percent, and "unnecessary" accounting for 3.6 percent.

Respondents in large cities, medium cities, small towns, cities, and villages favored in descending order replacement of present leaders by the younger generation through the electoral process, indicating that the larger an area, the higher the percentage who favor this method of generation change.

Meaning of Shift in Generation

On the question concerning the meaning of shift in generation, those who mentioned the establishment of complete civilian control topped the list with 34.4 percent, followed by "the liquidation of the era of two Kims or three Kims" with 15.3 percent.

On the other hand, as many as 26.4 percent regarded the debut of the progressive forces as signifying a shift in the leadership from one generation to the next, indicating the desire of the eligible voters for change.

In addition, 15.1 percent mentioned the emergence of a president in his forties or fifties as a form of generation change. All this is indicative of the shapes of generation change desired by various social strata.

Types of Leadership Ability

To the question concerning the kind of leadership ability needed in our country by classifying kit into two categories, namely, "forceful leadership" and "democratic leadership," 56.4 percent said what is needed is democratic leadership.

Nevertheless, a relatively high 39.7 percent said forceful leadership is needed.

By age, among those who favored democratic leadership, people in their twenties topped the list with their number accounting for 62.4 percent. On the other hand, among the respondents who favored forceful leadership, those in their forties topped the list with 46.9 percent, followed by those in their thirties with 42.3 percent, and those in their fifties with 41.6 percent.

Tasks for Next President

On the question concerning the first priority task for the next president, an overwhelming 58 percent mentioned economic recovery, followed by the completion of the democratization process with 19 percent and the elimination of regionalism with 14.9 percent.

By area, those who attached the first priority to economic problems accounted for 65.7 percent in Seoul, 62.6 percent in the Kyonggi area, and 65.8 percent in the Kangwon area. The Cholla area was at the bottom of the list with 40 percent giving the first priority to economic recovery. In the Cholla area, 26.2 percent mentioned the elimination of regionalism as the firs priority for the next president as against 11 to 16 percent in other areas.

About the task to complete the democratization process, the Cholla and Kyongsang areas were way ahead with 21.5 percent and 20.8 percent, respectively, regarding this task as the first priority for the next president.

[Box, p 25]

Gist of Questions and Answers

1. [Question] Among existing leaders, is there anyone whom you think desirable as a leader?

[Answer] 1) There is, 54.8 percent; 2) There is not, 45.2 percent.

2. [Question] If not, what is the reason?

[Answer] 1) Failure of established leaders to train the younger generation of leaders 15.0 percent; 2) undemocratic nature of political operation 16.8 percent; 3) inadequate qualities of political leaders 28.3 percent; 4) undemocratic way of managing political parties 16.8 percent; 5) public indifference to politics 18.8 percent; 6) Do not know 3.9 percent; 7) others 0.4 percent.

3. [Question] what are the important factors which should be considered in evaluating leaders?

[Answers] 1) Moral fiber 24.4 percent; 2) political caliber 26.6 percent; 3) degree of contribution to democratization 24.4 percent; 4) policies 8.6 percent; 5) the party to which the leader belongs 1.6 percent; 6) where the leader hails from 1.2 percent; 7) intelligence 10.1 percent; 8) financial resources 1.7 percent; 9) Do not know 1.4 percent.

4. [Question] How much are you satisfied with President No's leadership?

[Answers] 1) Highly satisfied 2.9 percent; 2) satisfied overall 30.2 percent; 3) somewhat dissatisfied 47.0 percent; 4) very much dissatisfied 19.0 percent; 5) Do not know 0.9 percent.

5. [Question] How much are you satisfied with leaders other than President No?

[Answers] 1) Highly satisfied 1.8 percent; 2) satisfied overall 24.3 percent; 3) somewhat dissatisfied 51.0 percent; 4) very much dissatisfied 21.0 percent; 6) Do not know 1.9 percent.

6. [Question] If you are dissatisfied, what do you think the troubles with leaders are?

[Answers] 1) Inordinate ambition for the presidency 47.4 percent; 2) inordinate regionalism 11.8 percent; 3) Paucity of policy 14.7 percent; 4) failure to assimilate public opinion 10.4 percent; 5) men behind the times 9.3 percent; 6) inadequate administrative experience and ability 5.4 percent.

7. [Question] What is your opinion regarding shift in generation?

[Answers] 1) immediately 10.9 percent; 2) naturally through election 77.6 percent; 3) as it is because there is no alternative 5.6 percent; 4) unnecessary 3.6 percent; 5) Do not know 2.3 percent.

8. [Question] What is the meaning of shift in generation?

[Answers] 1) An end to the era of two Kims (or three Kims) 15.3 percent; 2) establishment of a government under civilian control 34.4 percent; 3) emergence of a president in his forties or fifties 15.1 percent; 4) emergence of progressive forces on the scene 26.4 percent; 5) Do not know 8.8 percent.

9. [Question] What type of leadership ability is needed now?

[Answers] 1) Forceful leadership ability 39.7 percent; 2) democratic leadership ability 56.4 percent; 3) leadership ability in-between 1.0 percent; 4) Do not know 2.9 percent.

10. [Question] What is the first priority task for the next president?

[Answers] 1) Economic recovery 58.0 percent; 2) completion of the democratization process 19.0 percent; 3) national reunification 6.6 percent; 4) elimination of regional antagonism 14.9%; 5) Do not know 1.5 percent.

* Kim Tae-chung Shifts to Market Economics

922C0180A Seoul CHUNGANG ILBO in Korean 13 Jun 92 p 5

[By reporter Pak Po-kyun: "Kim Tae-chung Shifts to a 'Market-Force' Economy: His Change in Economic Perception"]

[Text] A look at Kim Tae-chung's recently published "Economic Goods" indicates that the change on the part of the Democratic Party [DP] presidential candidate is significantly extensive.

Indeed, one might even conclude that there is little difference between him and a government economist who hit on some new idea.

Until recently at least, Kim had persisted in his philosophy and policy which places emphasis on economic and financial actualities and the shares of growth. But now he is shifting to a market driven by economic forces. Lately, he has been showing great interest in the issue of exporting high-quality, price-competitive goods to world markets.

In debates and speeches, which keep him busy, he would invariably emphasize that "in order to survive a third world war, an economic world war, we must develop a thoroughly market-oriented economy, manufacture and market high value-added, high-tech products."

To that end, he would stress the need for national policy focusing on technology, saying that "we must stake our national destiny on the advancement of science and technology, devoting all our energies to the development of designing." Eventually, he told a seminar of DP legislators held on 31 May that "in the 14th National Assembly, we will see that not a single day passes without hearing calls for 'technology.'"

This remark by Kim is interpreted as an expression of his commitment to a position that in the 14th National Assembly, political debate should no longer overshadow economic debate.

Kim boasts that if elected president, he will during his five-year term push up the nation's exports to a $200 billion-level and see that our country becomes one of the world's eight leading economic powers (G-8).

He even appears to be in the planning stages of creating a "New Trading House ROK," indeed even giving the impression of a trading house representative.

Unfolding his plan for another economic leap led by the medium and small businesses, he holds that "as we emerge from the era of mass production of a fewer items and move into an era of smaller-quantity production of larger varieties, there is no alternative but to put the medium and small businesses in the van of economic development."

Noteworthy is the fact that an economy led by medium and small businesses in his plan is not the same one as he advocated in the past, the one characterized by brinkmanship that threatened collisions with big businesses.

"Big businesses and medium-small businesses should divide work between them, the former devoting themselves to the heavy chemical and high-tech industries that are capital- and technology-intensive, producing highly competitive goods to lead world markets," he says, underscoring the need for complementary cooperation.

Those who remember Kim's references—in the final phase of his 1987 presidential campaign at a Youido rally—to "outrages committed by big businesses overriding the interests of the people and medium-small businesses" would find his division-of-work rhetoric something new.

Serving as a model for his medium-small business fostering plan is the fashion industry. With a view to developing it to the level of the Italian fashion industry, he is planning to hold a debate with well-known designers on the subject.

Kim Tae-chung makes it clear that what he means is that "an economic recovery cannot be done by big business alone" and not that he is against chaebol [conglomerates].

During a discussion with his DP policy team on 6 June, when a participant presented a plan to attack chaebol, he reportedly brushed it off, saying: "No, we should not do things like that. Wherever there is the need to back them up, we should back them up." It is said that his perception of big business is that it has to be fostered into a super first-rate business in its area. On a private occasion, he was heard praising the acts of some conglomerates in withdrawing from areas that have traditionally been the domains of medium and small businesses. The change in his economic perception is also seen in his reappraisal of the economies of the Pak Chong-hui and Chon Tu-hwan eras. At a get-together with party members of Pusan and South Kyongsang Province on 5 June, he stopped short of condemning unconditionally the "development-dictatorship-type economy," saying that "a military-led government can sometimes be effective in economic development but...."

To be sure, it is no longer the same Kim Tae-chung indeed who once bitterly denounced the Pak Chong-hui-era economy as one that only served the interests of the privileged classes.

Currently, Kim is updating his book *The Economy for the Masses*, revising and supplementing. He is going to even change the title of the book to: *The Way to G-8*. The book was published in the United States, too, by Harvard University in 1983 under the title *The Economy Participated in by the Masses*. Despite his attachment to it, he is going to implement the title change because he thinks that the phrase "the masses" has put a class-oriented notion in the minds of people over a long period of time.

With regard to an attempt to portray this posture of his as a leaning to the ideological right, Kim blasts it as an obsolete way of thinking. "It is anachronistic to try to draw a line between the conservative and the progressive in the midstream of a new flow of world history in which capitalism and socialism are in the process of compromising and integrating," he emphasizes.

Meanwhile, to be sure, his revised economic view is indeed perceived by some as a tactical retreat necessitated by his final challenge to the presidency.

It is because of the antinomy involved. In other words, if the money supply is cut as he proposes, the medium and small businesses are the first to feel the pressure of tight money. Furthermore, Kim is yet to come up with a convincing blueprint of his $200 billion exports proposition.

"It is noteworthy that Chairman Kim has changed his economic view," says a leading Democratic Liberal Party legislator who formerly served as an economic minister in the Sixth Republic cabinet. "But, there is something unclear about what has led to the change," he contends, "for his rhetoric had been dominantly political as was evident in his advocacy of income distribution, writing-off of debts for farmers and fishermen, and of progressive amendments to the labor laws, and now he champions a market-force economy." Irrespective of such opinions, Kim Tae-chung is set to continue to pursue his revised economic line, however.

* Government Reveals Investment Target by Sector

* S&T Investments Eyed

922C0161A Seoul HANGUK KYONGJE SINMUN in Korean 15 May 92 p 10

[Article by reporters Kang Yong-hyon and No Ung: "Major Items Fixed at the Eighth National Science and Technology Evaluation Meeting"]

[Text]

Table 1. R&D Investment Target for Public Corporations. Percentage of Sales Volume. Numbers in parentheses are estimated R&D investment in 100 million won.

Name	1992	1993	1996
Electricity and Telecommunications	4.2% (1,981)	4.4% (2,282)	5.0% (3,250)
Electric Power	3.0% (1,961)	3.1% (2,357)	3.5% (3,300)
Coal	0.6% (11)	0.7% (12)	0.8% (14)
Petro Development	9.5% (21)	6.5% (15)	6.7% (31)
Mine Promotion	3.2% (9)	3.2% (9)	3.6% (11)
Gas	1.0% (71)	1.2% (84)	1.5% (217)
Tobacco and Ginseng	1.4% (159)	1.8% (212)	3.0% (408)
Mint	3.1% (41)	3.3% (46)	4.0% (70)
Integrated Chemical (Inc.)	11.4% (30)	77.8% (21)	1.5% (11)
Textbook (Inc.)	1.0% (3.6)	0.2% (0.9)	0.5% (2)
Highway	1.4% (81)	1.5% (98)	2.0% (189)
Housing	1.2% (212)	1.8% (257)	3.5% (579)
Water Resources	2.9% (65)	2.2% (61)	3.0% (131)
Land Development	0.1% (59)	0.2% (112)	0.5% (384)
Farming and Fishery Promotion	3.0% (21)	3.3% (31)	4.0% (51)
Total	2.2% (4,725.6)	2.4% (5,597.9)	2.9% (8,648)

1993 Plan for the Promotion of Science and Technology

The government will concentrate on the development and practical application of core technologies that are directly related to the enhancement of international competitiveness of industries and growth potential.

The government will support as a high priority the development of 14 leading core technologies of which the developmental plan has been completed and are ready to get started. It will concentrate on the development and practical application of machinery, parts, and materials technologies that are the basis for improving the trade deficit. It will start the development of technology at an early stage to replace the CFC and fossil fuel, which are currently under worldwide control of their use.

The investment in the development of science and technology will be increased to 7.2 trillion won [US $9.2 billion], that is 2.8 percent of the GNP. The public corporations and private industries will invest 384.3 billion won [US $493 million] in the development of core leading technologies.

In order to enhance competitiveness in the manufacturing industries, the Ministry of Commerce and Industry will initiate the development of industrial machinery, localization of parts, components design technology, and the development of core electronics parts technology, including the material for electric charge(?). The Ministry of Science and Technology will support the transition to the industries of the 150 technologies that have been developed by the government-subsidized research organizations. The Ministry of Transportation will support the development of technologies related to the express electric train, magnetic BUSANG YOLCHA (?), high-tech ships and airplanes. The Ministry of Communications will support the development of information and communications technologies such as communications equipments, computer software, semi-conductors, and database.

The Ministry of Construction will support the development of sewage treatment and recycling technology in order to be self-sufficient in environmetal protection technology. The Agency for Environmental Protection will conduct a basic investigation of environmental technology, including research in the area of chronic respiratory diseases caused by air pollution. The Ministry of Science and Technology will develop core component technology of environmental science by using high-tech.

The government will continue to reform the agricultural technology in order to cope with Uruguay Round. The Agency for Agricultural Promotion will develop the production technologies that will replace imports and promising technologies for export. It will also promote quality enhancement using genetic engineering.

The Ministry of Energy and Resources will reinforce the development of alternative engery sources that will reduce the consumption of nuclear energy in an effort to be self-sufficient in energy technology.

The government will also expand the development of welfare technologies including health and medicare, ocean, transportation, communications, construction, and resources.

The government will raise 146.5 billion won this year and 1 trillion won by 1996, in science and technology promotion fund in order to support research and development. The Korea Technology Finance (?) will appropriate 760 billion won; 420 billion won in research and development (R&D) and 280 billion won in technology transfer to industries.

Revitalization of University Research

In order to drastically increase the research manpower in universities, the number of professors will be increased according to the current number of enrollment. The number of enrollment will also be gradually increased.

In particular, the number of graduate school professors and research professors without teaching obligation will be substantially increased. The invitation of prominent scientists and engineers from foreign countries will be increased. The number of dual professorship by researchers of government research organizations and industries will be increased.

A system will be created whereby professors will be able to devote one year every five to six years to research without teaching, to provide and expand the opportunity for them to recharge themselves with advanced knowledge by going abroad to keep abreast of their field. The role of research in universities will be reinforced by revitalizing the post-doctoral and research assistantship programs.

Universities with high academic standings such as Seoul National University will gradually be transformed into more graduate-school institutions. Outstanding graduate students will be given the privilege of military service waiver and increased research funds. The research funds currently under the control of the Ministry of Education will be increased from 20.6 billion won to 50 billion won. A matching fund system will be adopted to provide incentives to universities that spend more money on research.

Among the 367 research centers affiliated with the universities, those that produce little research products due to the lack of adequate investment will be consolidated. Meanwhile, some universities will be selected as strategic universities. Research centers will be reinforced there to be shared by other universities.

A system will be implemented in which outsiders evaluate the performance of the university-affiliated research centers every three to five years. Productive research centers will be heavily supported based on such an evaluation. In order to promote cooperation between industries and universities, the joint use of research facilities between academia and industries will be expanded. Researchers who have industry experience will be treated favorably.

In hiring and promoting unversity faculty members, the traditional practice of giving favoritism to the alumni candidates will be corrected by implementing a system of fair competition. Universities will be encouraged to hire outsiders such as researchers of the government-subsidized research organizations.

Expanded Investments in R&D by Public Corporations

The public corporations are encouraged to encourage the private industries to expand investments in research and development.

15 out of the 23 public corporations will be given guidelines for investing in R&D. 4 financing corporations, including the Bank of Industry, and 4 service corporations, including the Korea Trade Corporation, that have little relationship with R&D are excluded.

The ratio of investment in R&D to total sales volume in public corporations will be at a level comparable to that of private manufacturing industries by 1996. The goal of R&D investment in communications, energy, and manufacturing industries is 4 percent of the total sales volume and that of the construction area is 3 percent. Investment in R&D by the 9 public corporations are considered to be inadequate; Korea Electric Power, Gas, Tobacco and Ginseng, Mint, Highway, Housing, Water Resources, Land Development, and Agricultural and Fishery Development. It will therefore be increased.

In order to encourage technological innovation in these public corporations, the criteria for performance evaluation will change such that investment in R&D will play a more important role than now. Since technological innovation greatly depends on the managers' attitude, improvement in management by technological innovation will be an important measure of performance in the evaluation of upper-level managers. According to the revised law of science and technology promotion, the Science and Technology Minister will encourage the 15 public corporations to spend 559.7 billion won in R&D.

* Investments To Increase

922C0161B Seoul HANGYORE SINMUN in Korean 15 May 92 p 2

["Investment in Science and Technology Will Be Increased to 2.8 percent of the GNP, University Research Funds Will Also Be Increased"]

[Text] The government decided to gradually increase the number of university professors in the area of basic science in an effort to reinforce the role of research and to enhance the quality of research in the universities. It will also adopt a system that allows some professors to do only research without teaching obligations. It will close some research centers affiliated with universities that produce little quality research.

The government has also decided to increase its investment in science and engineering next year to 7.2 trillion won [approximately US $9.2 billion], that is 2.8 percent of the GNP, and to increase the investment in technology development by the public corporations by 3 to 4 percent of the gross sales amount by 1996.

At the Eighth National Science and Technology Evaluation meeting led by Prime Minister Chong Won-sik at the presence of 16 ministers, including Education and Science and Technology ministers, the government made a decision to carry out the plans of "Revitalizing Science and Technology in the Universities," "Execution of Science and Technology Promotion in 1993," and "Increasing Investment in Technology Development in 1993 by Public Corporations."

Reitalization Plan for Science and Technology in Universities

Professors exclusively appointed to graduate schools and research without teaching obligations will be secured by establishing a new law on graduate schools. Measures will be systematically implemented to change the current trend of hiring university professors among alumni. The government will encourage universities to include non-university members, such as researchers from government-subsidized research organizations, in their committees for screening new faculty members and in the promotion boards. University-affiliated research centers that have overlapping functions or produce little research results will be consolidated. The government will also implement an evaluation system for university-affiliated research centers on a regular basis every three to five years.

The funding activities for university research organizations will be consolidated through the Korea Science Promotion Corporation. The level of research funds will be increased annually from the current 20.6 billion won [approximately US $26.4 million] to 50 billion won [approximately US $64 million].

The government will actively induce the universities to invest in research by providing matching funds by the government.

Execution Plan for Promotion of Science and Technology

The government will actively carry out the development projects of core high-tech, the so-called G7 projects, including the ultra large integrated circuit semiconductors from 1993. The government will select and execute 20 core projects, including that of sharpening the competitive edge in the manufacturing industries, the development of self-sustained technology for environmental protection, active utilization of technologies in the Northern nations, including Russia, and the establishment of funds for science and technology promotion.

Encouraging Government-Invested Organizations to Expand Investments in Technology Development

15 out of the 23 public corporations, excluding the finance and service-related ones, will increase their investment in research and development (R&D). They will increase the R&D investment to 4 percent of the total sales amount in the area of communications, energy, and manufacturing, and to 3 percent in the construction area.

Nine corporations that currently set aside R&D funds less than that suggested by the government, including the Electric Power, Gas, Tobacco and Ginseng, and the Housing, will get lower points in the evaluation unless they increase the R&D funds.

* Environmental Tasks in Wake of Earth Summit

* Cost of Research

922C0184A Seoul CHOSON ILBO in Korean 16 Jun 92 p 6

[Article by reporter Sim Chae-yul: "Low-Pollution Incineration Technology' is the First Priority Task in Environmental Technology Development"]

[Text] With the Rio environmental summit over, all countries of the world are expected to launch into active research and development activities for the protection of environment.

Korea as one is expected to make an active approach toward environmental protection by changing its hitherto passive attitude.

"Environmental technology," the branch of science and technology dealing with the protection of environment, is vast in scope encompassing diverse related fields. One of the difficulties about environmental technology is that it has to approach each environmental problem from a broad point of view because all domains of human activity are involved.

The report "Research Plan for the Development of Environmental Engineering Technology" released last month by the National Institute for Environmental Research divides environmental engineering roughly into these seven areas: air pollution, water pollution, waste, earth environment, marine environment, clean fuel, and ecological management.

Order of Priority for 25 Fields

Naturally, development of environmental technology in these varied fields requires diverse fields of studies, not only traditional natural science, such as chemistry, biology, physics, ecology, biomedicine, and engineering, but also humanities, such as economics, jurisprudence, philosophy, and policy studies. In the final analysis, the protection of environment requires the pooling of all available studies.

Another matter which needs to be taken into consideration in the development of environmental engineering is the fact that the study of environment is no longer a field which concerns any one particular country or any particular field. Air or water pollution in a specific country has a direct impact on neighboring countries.

From now on no enterprise can expect to survive if it ignores the environment in the operation of its factory or if its produces products which are likely to pollute the environment.

All these things considered, it is desirable for our country to proceed with the development of environmental engineering in a comprehensive and systematic manner, maintaining harmony and balance by exercising the art of weighing impacts on foreign countries while properly considering the conditions at home.

From this point of view, a team of 119 researchers in our country set the order of priority for 25 selected research and development fields through the work which lasted for several months. Of these fields, technology concerning fluorocarbon gas is the only one in which research and development has moved ahead comparatively apace.

The development of low-pollution incinerating system is at the top of the priority list as determined by the research group. This system, one which directly burns waste without adding any other material, is divided into two categories according to waste materials burned. The pyrolitic method, one of the two, converts solid waste into gas, oil, and char by dissolving it with heat without oxygen.

This method has the merit of producing less secondary pollutants but needs to be back up by the development of a technology for treating materials produced in the process of incineration. The other method, dry incineration, is a technology that heats up and dissolves waste materials by burning them partially in a state of low oxygen. Compared with the pyrolitic method, this one is more energy efficient and is widely used in advanced countries. Enterprises which apply this method have sprung up overseas, In Europe, five incinerator builders are in control of the market; and in the United States, power plants using waste tires for fuel are in operation. In Japan, Fuji Recycle and Nihon Inc. are reprocessing waste vinyl and tires. It is estimated that to develop this technology in our country on a par with the level in advanced countries, the research and development cost will amount to 12 billion won, 6 billion each in the private and government sectors, by the year 2001.

"Clean Fuel" at Elementary Stage

The second place in the order of priority is "high-degree water treatment and recycling technology." This technology involves the protection and management of city water resources, treatment of waste water, and recycling of useful materials generated in the water treatment process. It also involves developing clean, tasty natural mineral water for sale and keeping underground water from pollution. Some of our research organizations and universities are studying the methods of preventing the eutrophication of reservoir water, but the research is in its infantile stage. With no high-degree sewage treatment process introduced yet, we are unable to cope with the requirements for water quality control in terms of nitrogen and phosphorus contents. The research cost in this field is estimated at 20 billion won.

The third in the order of priority is the development of exhaust gas desulfurization technology. A major goal of this technology is to minimize the sulfurous acid gas content in the air. Sulfurous acid gas is the principal ingredient of acid rain and the main cause of bronchitis, asthma, and other pulmonary diseases. It has been proven in many advanced countries that control of the emission of sulfurous acid gas is possible only when sufficient investment is made. The trend in our country is to gradually lessen the permissible doses of sulfurous acid gas, but we are far behind the international level in this respect. More importantly, however, our citizens feel that air pollution in major cities is serious.

The time when we can no longer be content with the environmental protection standards arbitrarily set by the government has long since arrived. Other areas of environmental technology which are high in the priority list are as follows: high-efficiency particulate collection technology; toxic waster treatment technology; treatment technology for insoluble water pollutants; and practical technology for small-scale waste water treatment.

According to the estimate by the research team, a total of nearly 428 billion won in the research and development fund—260 billion won for the government sector and 167.3 billion won for the private sector—will be needed by the year 2001 to develop environmental technology in the 25 target fields on a par with the level in the advanced countries.

As important as the development of these technologies is change in the thinking of the citizenry. It is no good to view resources only in terms of monetary value. There should prevail the thought that misused resources will bring about a misfortune and that we must conserve our limited resources. Before trying to solve pollution problems by science and technology, our citizens need a mind set for cleaning the sources of environmental pollution.

* Industry Obligations

922C0184B Seoul CHOSON ILBO in Korean
16 June 92 p 7

[By reporter Sok Chong-hun: "Restructuring Industry Into Pollution-Free, Energy Efficiency Type' Is the Only Way for Its Survival"]

[Text] As a result of our government's sudden signing of the agreement on climatic change and the biodiversity agreement, our industries have been caught in the middle of "the world environmental war." These two agreements as they stand now spell out the principles and action programs but provide no concrete regulatory standards and methods. In the long run, however, the agreements will have a tremendous impact on the overall structure of our industry because various regulatory provisions will be set forth on the basis of the agreements in the future.

Environment Issues as Potential Trade Barrier

The government will on the one hand try to have the interests of our country best reflected in the protocols providing for regulatory standards and methods which are scheduled to be adopted in the latter part of the year, and on the other, is working out measures to convert our industrial structure into a pollution-free, energy efficient type.

The Rio summit has been wound up in a far moderate form than anticipated in the beginning. Because each participating country sought its own national interests in the conference, no particular provisions were written which might deal an immediate blow to us. It was made clear in "Agenda 21" that no environment issue shall be used as an excuse for controlled trade; the question of adopting a provision for adding the environmental cost to the cost of a commodity—an issue debated during the New York preliminary talks—is now back to square one. In addition, a proviso was also inserted providing that special consideration shall be made of countries with a heavy reliance on fossil fuel and countries dependent on the type of industry which consumes energy extensively. The agreements also have widened room for technological transfer by providing that environmental technologies owned by private enterprises in advanced countries may be subject to sale at a minimum price when there is a legitimate need for such sale.

This "respite" cannot but be temporary, however. Our government and enterprises are well aware of this fact.

The General Agreement on Tariffs and Trade (GATT) provides for 26 categories of trade which are subject to control for environmental reasons. Of 127 multilateral environment agreements signed as of the end of 1991, 17 including the Motreal Convention limiting the use of materials destructive to the ozone layer have provisions on regulating trade. Many countries in the world are steeped in enacting various legislation which may be used as an excuse for restricting imports.

The United States, for instance, demands that the exhaustion of toxic gas from imported cars be reduced to 60 percent of the current permissible level by 1994. The basic policy of our government is to convert our industrial structure into a "low-energy type" on this occasion.

Fossil Fuel Consumption To Be Lowered

The Ministry of Trade and Industry plans to invest a total of 100 billion won by 1997 to support 120 key environment-related technology development projects and expand tax and financial benefits to investments in waste treatment and recycling facilities. It plans to move existing dyeing, metal coating, and other pollution-generating plants into the specialized industrial complexes which will be built under state-run and local corporations. For the recycling of resources, the government plans to enact a "law on the utilization and promotion of recycling industries" (temporary name) within this year and establish and put into operation a guideline for the recycling of waste in each key industry and on each product.

In particular, as a measure to cope with the impact of the agreement on climatic change which has been signed in Rio, the government has made an overall analysis of the energy utilization structures in the industrial, building, and transportation sectors, and on this basis is pushing head with their conversion into a system which will lessen the emission of carbon dioxide.

The government's plan calls for increasing the ratio of nuclear energy to the total energy consumption from 49.1 percent in 1990 to 52.1 percent in the year 2000 and that of liquefied natural gas (LNG) consumption from 8.9 percent to 11.3 percent.

On the other hand, oil consumption which generates carbon dioxide will be reduced from 17.6 percent to the level of 3 percent. To this end, the government plans to expand and revise the LNG supply plan so that the supply of LNG may increase from the original projection of 9 million tons to 14.05 million tons by the year 2006.

Survey on Rare Fauna, Flora

Regarding the biodiversity agreement, the governments plans to conduct survey on the biological resources of the country to find out the present state of rare species and work out effective measures for their protection.

Private enterprises are also stepping up environmental protection moves with the government's signing of the international environmental agreements as a momentum.

The Samsung Group, which has announced that it will stop using pollution-generating materials, such as chlorofluorocarbon (CFC) and bunker C oil by 1996, has begun to check the state of environmental management in all workshops.

In addition, the Samsung Group plans to introduce an advance screening system for investments in environment-related equipment and work out a joint waste disposal system for each locality.

Hyundai Motor Company, which has been in the state of emergency alert due to the regulatory provisions on CFC, is doing its utmost to develop a new refrigerant and secure recycling technology. As a marine pollution prevention measure, Hyundai Heavy Industries Co. has decided to install and operate two incinerators each with a capacity of treating 200 tons or more of waste water per hour by investing 42 billion won.

In the Daewoo Group, the automobile and electronics companies are jointly operating a council on countermeasures against CFC. Lucky-Goldstar has decided to increase environment-related investments up to 5 percent of its total investment. As an initial step, it has decided to invest 4 billion won in the construction of waste burning facilities in its Yochon and Chongju factories.

* North Korean Rivers Badly Polluted

922C0182A Seoul MAEIL KYONGJE SINMUN in Korean 13 Jun 92 p 9

[Text] NAEWOE TONGSIN—The UN earth summit (UNCED) currently in session in Rio de Janeiro, Brazil, is drawing particular attention to the environmental protection issue.

In particular, the pollution issue in North Korea is drawing all the more keen attention because North Korea is the only country in the world where no objective materials on pollution are available due to the closed nature of the North Korean society.

Reportedly, it was not until about 1986 that North Korea began to show its interest in environmental problems.

At the fifth session of the Seventh Supreme People's Assembly [SPA] in April 1986, North Korea adopted a law specially dedicated to environmental protection, entitled "the Law on the Protection of Environment," made up of five chapters and 22 articles.

In the interpretation of the purport of this law, the minority view is that although the pollution problem in North Korea is not so serious, North Korea enacted this law as a precautionary step to avoid repeating the same blunders as other countries made in the past. The majority view, however, is that the law was enacted because pollution problems began to crop up, making it urgent to take measures to cope with them.

The North Korean article entitled "Industrial Development and the Environmental Protection Issue" published in January 1991 and the eyewitness stories of travellers returning from North Korea gave credence to the majority view.

Typical of these eyewitness stories are the tales told by Hyon Myong-kwon, deputy director of the Environmental Protection Bureau, the Korean ethnic autonomous region in Jilin Province, China, and Yi U-hong, former instructor at Wonsan Agricultural College in North Korea and scientist formerly affiliated with the General Association of Koreans in Japan [Chochongnyon].

Hyon said that the pollution of the Tumen River basin is so serious that fish cannot survive in the lower reaches, and that strong acid rains with PH 4.6 fall on Mt Paekdu.

Keen attention has been drawn to this report by Hyon, as well as the Radio Pyongyang report that the pollution of the Chongchong River is getting worse and that an oil-boom boat is operating on the Taedong River.

If the clean water of the Chongchong River and the Tumen River is contaminated, it gives rise to the assumption that the large rivers near major cities, such as Pyongyang, Wonsan, and Chongjin, where heavy and chemical industrial plants are concentrated, must be also seriously polluted.

In fact, according to the eyewitness stories of overseas Koreans and foreigners who recently visited North Korea, the pollution of the Taedong river is so serious that one can observe from time to time the sight of dead fish floating on the Taedong river, the source of drinking water for Pyongyang, and people often complain of stomach trouble from drinking raw tap water.

For this reason, the North Korean authorities are urging the North Korean people to boil water before drinking, while supplying "Sindok spring water" to foreigners.

The Tumen River has become inhabitable for fish because of the waste water spilled from Musan Coal Mine and the bleaching agent spilled from Hoeryong Paper Factory. The pollution of the Tumen River is drawing a strong protest from China.

In the industrial areas on the east cost where iron and steel mills, refineries, and chemical factories are concentrated, air pollution is very serious. In the Chongjin area, in particular, local inhabitants complain of respiratory diseases caused by toxic gas, such as dark brown sooty smoke and carbon disulfide belching from the smoke stacks of Kimchaek Iron and Steel Complex and Chongjin Chemical Fiber Plant.

In Hamhung, workers have to take days off because of difficult breathing caused by chlorine gas and carbon monoxide emanating from Hungnam Smeltery and the 8 February Vinylon Factory.

In the Wonsan area, a considerable number of workers were afflicted with a strange disease which made their teeth come loose and fall, caused by sulfurous acid gas and mercury-contaminated smoke from Munpyong Smeltery and Wonsan Chemical Factory. The residents in the neighborhood are suffering from bronchitis and skin disease, and farm crops are withering.

On the other hand, Yi Hong-u noted the seriousness of the red tide phenomenon and the disappearance of sea weeds, fish, and shellfish in the waters off Wonsan; the water pollution from heavy metals in the Mirim-Ponghwa Dam near Pyongyang; the pollution of Hamhung's northern river from heavy metals; and the air pollution caused by dust from the iron works and cement factory in Hamju County. He said that appearing in North Korea too are patients of pollution diseases similar to dust-triggered tuberculosis [chin pegyolhaek] and "itai itai disease" caused by cadmium poisoning.

Reports on the outbreak of dust-triggered tuberculosis (a pollution disease) were substantiated by the fact that early last year the North Korean authorities dispatched a large Pyongyang medical team to the Chollima Iron and Steel Complex to give physical examination to its workers, some of whom were subsequently transferred to Pyongyang for treatment. The authorities hurriedly set up tuberculosis patients' wards in major factories and enterprises.

There are also eyewitness reports that following the opening of the West Sea lockgate, waste water spilled from factories and enterprises in the Nampo area began to flow upstream, with the side effects of giving off a foul smell and increasing the average temperature of the water in the upper stream beyond the dam. These reports are regarded as indirect proof that the pollution of environment in North Korea is getting serious.

A detailed picture of the actual state of environmental pollution in North Korea is not available due to a lack of objective data and the reluctance on the part of the North Korean media to make an accurate coverage of the pollution issue in North Korea. Nevertheless, as admitted by the North Korean authorities, clearly North Korean has not been completely freed from environmental pollution.

In the opinion of observers, the pollution of environment is far from normal in the areas, such as Chongjin, Hamhung, and Sunchon, which are crowded with heavy and chemical industry factories, and to be sure, pollution is bound to become a new serious social issue for the North Korean society in the near future.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Says NAM Serves as Counterbalance

BK0408041692 Kuala Lumpur BERNAMA in English 0331 GMT 4 Aug 92

[Text] Kuala Lumpur, Aug 4 (OANA-BERNAMA)—The Non-Aligned Movement (NAM) is still relevant as an organisation to counter balance the superpowers of the north, Malaysian Prime Minister Dr. Mahathir Mohamed said Monday.

By definition it might be irrelevant because it might not have any role to play with the end of the cold war, he added.

But, he said, as a group to counter balance another group of countries NAM was relevant because the developed countries and the North had become too strong.

"The movement is still relevant... Maybe, we need to change the definition or the role but we cannot say that it is irrelevant," he told reporters after chairing the ruling National Front party's supreme council meeting here.

Dr. Mahathir will be attending the six-day NAM summit in Jakarta beginning on Sept 1. NAM groups just over 100 countries.

NAM, born out of the Asia-Africa conference held in Bandung, Indonesia, in 1955, was launched in 1961 to clear the middle path in a world divided by blocs of communism and capitalism.

Dr. Mahathir said if the Non-Aligned Movement closed shop, that would leave the world with only one super-super power and the developed countries of the north.

The clout they wielded had to be counter balanced with something which could be said to be similarly strong, he added.

Vietnam Issues Business Licenses to Private Firms

BK0108102692 Kuala Lumpur BERNAMA in English 0911 GMT 1 Aug 92

[Text] Kuala Lumpur, Aug 1 (OANA/BERNAMA)—Vietnam has issued 10 licences to the Malaysian private sector to venture into various economic activities in that country.

Vietnamese State Committee for Co-operation and Investment Chairman Lu Minh Chau said Saturday the Malaysian companies were involved in oil promotion and exploration activities, hotel management, construction of hotels, agricultural products and processing of edible oils. He expected more Malaysian businessmen to undertake activities in Vietnam, now that the country was opening up its economy.

Chau is leading a 14-member trade delegation on a 10-day visit to Malaysia to study Malaysia's economic development policies and the management of free trade zones (FTZs).

He told reporters after a briefing on the Perak State Economic Development Corporation (SEDC) here that Vietnam was developing its first export processing zone (EPZ), which was similar to a FTZ, to attract more foreign investors.

"Our main interest in coming to Malaysia is to know more about the management and administration of FTZs as well as policies on foreign investment so as to help in the development of our own [sentence incomplete as received].

Before returning home on Wednesday, the delegation members will call on Prime Minister Dr. Mahathir Mohamed.

Reserves Areas for Investors

BK0408044492 Kuala Lumpur BERNAMA in English 0344 GMT 4 Aug 92

[Text] Johor Baharu, Malaysia, Aug 4 (OANA-BERNAMA)—Three areas in Vietnam have been reserved specially for Malaysian investors who are keen to venture into export-oriented products and tourism in that country.

Chairman of the Vietnamese export processing zones (EPZ) administration Lu Minh Chau said Monday two of the areas have been earmarked for tourism centres while the third would be a manufacturing centre for export-oriented products.

The areas identified for tourism are Quang Nam-Da Nang in the central region and Vung Tau-Ba Ria, near Ho Chi Minh City, while the area for the manufacturing centre is in Quang Ninh Province in the south.

Lu, who is leading a 14-member EPZ delegation on a two-day visit here told reporters after attending a briefing at the Johor Port in Pasir Gudang, near here, that the Vietnamese Government had agreed in principle to the establishment of the centres.

Lu said finer details on the projects would be worked out by officials of both countries later.

Vietnam had several scenic and beautiful beaches to be developed as tourist attractions but they were lacking in facilities, he added.

Acehnese Refugees Cleared To Return to Indonesia

BK0208094392 Kuala Lumpur NEW STRAITS TIMES in English 31 Jul 92 p 7

[Text] Alor Star, Thurs.—Malaysia is prepared to make arrangements to send the 43 Acehnese back to Indonesia if that is what they desire, Foreign Minister Datuk Abdullah Ahmad Badawi said today. He said although some time would be needed to make the arrangements, it would not pose a problem to Malaysia.

"If they want to go back we will make the arrangements," he told reporters after opening the Kota Star Umno [United Malays National Organization] Youth delegates meeting at Sekolah Kebangsaan Langgar near here. The 43 came to Malaysia seeking asylum or resettlement in a third countrv.

Abdullah said Indonesia had assured Malaysia that the 43, who include women and children, would not be oppressed if they returned to their homeland. Indonesia had also given the assurance that the Acehnese could be visited anytime.

The United Nations High Commissioner for Refugees (UNHCR) too could visit them for proof that they are not being oppressed after their return to their country, Abdullah added.

Indonesian Foreign Minister Ali Alatas said yesterday that Indonesia was trying to persuade the Acehnese who had fled their troubled province to return to Aceh. Alatas said Indonesia would continue to convince them that there was no reason for them to feel threatened as long as they did not violate Indonesian laws.

The 43 were among dozens of villagers who fled to Malaysia from Aceh province since March to escape fighting between Indonesian troops and separatists. Malaysia has refused them asylum and they have been camping in makeshift tents at the UNCHR compound the past five weeks.

Abdullah said Malaysia regarded the 43 Acehnese as illegal immigrants.

Opening the meeting earlier, Abdullah, who is an Umno vice- president, said the party would remain strong despite having a membership of about 1.7 million if all members worked towards the sole objective of ensuring victory for all. Umno abided strictly to its constitution and it would continue to give freedom to members to voice their views and choose their leaders, he said.

Abdullah also called on party members to stop issuing poison pen letters, back stabbing their leaders and making false allegations as none of these political games had brought victory to Umno in the past. Umno was a successful party envied by many countries due to the strong spirit of co-operation, tolerance and brotherhood among its members, he added.

Singapore

Cambodia Eager To Tap Port Expertise

BK0308100692 Singapore THE STRAITS TIMES in English 3 Aug 92 p 40

[By Phua Kok Kim]

[Text] Cambodia is keen to tap Singapore's experience in port management and development, in particular for the port of Sinhanoukville which is ear-marked for development as a free trade zone (FTZ).

The Hun Sen government has also held initial discussions with Singapore Telecom International (STI) on line and cellular telephone systems for Phnom Penh and other "important" provinces and towns like Sihanoukville.

This was disclosed by Mr. So Khun, Cambodia's Minister of Communications, Transport, and Posts, in a recent interview with the Straits Times in Phnom Penh.

He said his government wants to speed up the country's transformation into a market-oriented economy. Among other programmes, it is planning to improve the country's physical infrastructure and make Sihanoukville a FTZ.

For Sihanoukville—the former Kompong Som—he said priority would be given to training port officers and upgrading the port itself, including installing modern loading and unloading facilities.

Mr. So Khun said he hoped to approach the Port of Singapore Authority for assistance after a more through study has been made.

His ministry has also worked out a masterplan covering the upgrading of Cambodian roads, bridges, railroads and waterways with the help of the Asian Development Bank and the United Nations Development Programme.

He said the project, estimated to cost US$400 million (S$640 million), [Singapore] was endorsed at the recent 33-nation Tokyo conference in June which pledged US$880 million for the reconstruction of Cambodia.

While the Supreme National Council (SNC) had already given the green light for the project, it was difficult to say when it would begin, he said.

He said that the US$400-million plan could be considered a "temporary plan in a transitional period", adding that the SNC would probably work on a longer term plan after Cambodia's general elections scheduled for May next year.

On telecommunications, he said although officials from his ministry and STI had met, no agreement had been reached yet on the proposed telephone networks which are estimated to cost US$20 million.

Cambodia

Senator Kerry Letter to Hun Sen Noted

BK0408100192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 8 Aug 92

[Text] His Excellency Hun Sen, chairman of the State of Cambodia Council of Ministers and member of Cambodia's

Supreme National Council, recently received a message from U.S. Senator John Kerry. The message says:

I have followed the developments in Cambodia on a regular basis, and continue to vigorously back the international community's unreserved support for the peace accords. I have also learned about the many violations against the peace accords by the Khmer Rouge and their refusal to take part in the second phase of the cease-fire.

I can assure you that I am going to push my government to support powerful international pressure on the Khmer Rouge so that they will fulfill their commitment, and to urge continued support for the implementation of the accords with or without Khmer Rouge participation.

As you already know, I have never believed that the Khmer Rouge will ever lay down their arms or respect any conditions of the accords. Those in the international community should make it clear that they will never allow the accords to become a hostage of Pol Pot. They should not let Pol Pot bully them and should not leave Cambodia before the elections are held and the security of the democratic elements in the country is guaranteed.

I am pleased with my meeting with you during your latest visit to Washington. I admire your efforts under these difficult circumstances to lead the Cambodian people toward democracy and peace. I hope to maintain regular contact with you.

Hun Sen Asks Japan To Send Troops 'On Time'

BK0408055092 Phnom Penh SPK in French 0405 GMT 4 Aug 92

[Text] Phnom Penh 4 Aug (SPK)—Mr. Hun Sen, chairman of the Council of Ministers of the State of Cambodia [SOC], received in Phnom Penh Friday a Japanese search for peace and security in Indochina delegation headed by Mr. Masashi Nishihara, professor of international relations and Japan's defense affairs academician.

Chairman Hun Sen denounced the perfidious maneuvers of the Khmer Rouge who are seeking by every means to torpedo the Paris peace accords. So far, he noted, they have not allowed the blue helmets to move freely in the zones under their control and have not respected the stipulations of the accords on the 70 percent demobilization of their forces. At present, the SOC Government is doing its best to persuade the Khmer Rouge to respect the Paris peace accords, stressed Mr. Hun Sen, adding that elections will take place as scheduled under any circumstances.

He asked Japan to send its troops to Cambodia on time, and affirmed that if this fails to happen, Japan's prestige and influence would be under Khmer Rouge pressure.

On the mission of UNTAC [UN Transitional Authority in Cambodia], Chairman Hun Sen stressed that after the general elections, a part of its forces may remain in the country to help the new government defend human rights. Cambodia will still need the UN peacekeeping forces, specified Hun Sen.

The Cambodian prime minister finally thanked the Japanese government and people for their active contribution to the search of peace in Cambodia and said the Japanese Government and people wished to see the Cambodian people live in peace, happiness, and prosperity.

Viet Sources Say China Still Aiding Khmer Rouge

BK0408061992 Bangkok BANGKOK POST in English 4 Aug 92 p 7

[By Jacques Bekaert]

[Text] Ho Chi Minh City—The Khmer Rouge are still receiving some help from China, according to a senior Vietnamese source in Hanoi.

The assistance, in funds and supply, is partly delivered through Sino-Thai business contacts, the source said recently. Other sources in Hanoi said they had some evidence that the Khmer Rouge were still being resupplied and claimed to have seen pictures of Chinese trucks going in and out zones in Cambodia controlled by the parties of Democratic Kampuchea.

"We don't have a smoking gun yet, but we are pretty close," one of the sources said.

This Chinese-sponsored help to the Khmer Rogue—if verified—comes at a time when there is growing tension between China and Vietnam over the question of sovereignty over the Paracels, the Spratlys and the South China Sea, called the Eastern Sea by Vietnam.

Other sources in Hanoi and Ho Chi Minh City say there is some connection between what China is doing in the South China Sea, along the Vietnam northern border, where border markings have allegedly been displaced by Chinese, and the refusal of the Khmer Rouge to comply with Phase II of the UN peace plan.

The situation in Cambodia certainly remains of great concern to the Vietnamese leadership.

The refusal of the Khmer Rouge to participate in Phase II of the UN peace plan indeed creates doubts about the future of the entire exercise.

Growing anti-Vietnamese feelings among Khmers and the exploitation of such feelings by most factions could lead to serious incidents between the two ethnic communities.

Hundreds of thousands of Vietnamese now live in Cambodia and various reliable sources said Vietnamese villagers, especially in remote areas near Tonle Sap, are arming themselves to protect their families and avoid a recurrence of anti-Vietnamese programmes similar to those that occurred in the early seventies.

At the end of July, the brutal murder of two Vietnamese families in Kampot, including a seven-day-old baby, came as a chilling reminder that all is not well in Cambodia.

Although the natural tendency would be to blame the Khmer Rouge for such acts—and the Ministry of National Security of the Phnom Penh Government did so shortly after the massacre—there is still no hard evidence to link it to the parties of Democratic Kampuchea.

Several sources in Vietnam said they were not convinced by Phnom Penh's versions and praise Prince Sihanouk for asking for more details of the massacre.

Prince Sihanouk was also the only Khmer leader to publicly express regret over the tragedy.

Many Vietnamese officials are aware they have very few friends left in Phnom Penh.

During a meeting with Vietnamese Ambassador in Phnom Penh Tran Huy Chuong, Cambodian Prime Minister Hun Sen said he would be unable to order his police or army to shoot at Cambodians to protect Vietnamese settlers.

Some Vietnamese sources said they understand Hun Sen's position as any display of sympathy for Vietnamese would be counterproductive given the political climate in Cambodia.

There is also some concern in Hanoi about the willingness of Hun Sen to meet Pol Pot and the Khmer Rouge.

Hun Sen apparently told the Thai Foreign Ministry he is ready to meet the Khmer Rouge leader in order to bring the peace process back on track, Vietnamese sources said.

While articles on Cambodia published in the Vietnamese press still rely heavily on old ideological analysis, treating the Phnom Penh government as a friend, many Vietnamese officials, especially in the foreign ministry, are aware of the true nature of the situation.

The anti-Vietnamese campaign finds wide popular support among Khmers.

And some leaders of the ruling People's Party of Cambodia, the former Communist Party once close to Hanoi, are as anti-Vietnamese as their Khmer Rouge adversaries.

Many of Phnom Penh's leaders come from Khmer Rouge ranks and have retained much of the ultranationalism that characterises the radical faction.

Chinese Official Cited on SRV Troop Presence

BK0408090992 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 4 Aug 92

[Text] Reports from Thailand say that Thailand and China agreed to strengthen Cambodia's Supreme National Council [SNC] during the transitional period in response to one of the demands by the Party of Democratic Kampuchea [PDK] in their efforts to break the deadlock over the implementation of the Paris agreement.

Thai Foreign Ministry Spokesman Sakthip Krairoek said that Thailand and China have agreed that the role of the SNC should be strengthened, particularly the role of His Royal Highness Prince Norodom Sihanouk, who is SNC chairman, to break the deadlock in the implementation of phase two of the Paris agreement regarding the cease-fire in Cambodia.

After his talks with Thai Foreign Minister Asa Sarasin, Chinese Deputy Foreign Minister Xu Dunxin said that the two countries agreed to persuade the PDK to adhere to the cease-fire's second phase in compliance with the Paris agreement. When asked what the UN Transitional Authority in Cambodia should do to respond to the PDK's affirmation that Vietnamese troops continue to hide in Cambodia, the Chinese deputy foreign minister said that although the PDK's claim cannot be verified, the United Nations cannot deny that there are no Vietnamese troops left in Cambodia.

Thailand and China also discussed the possibility of setting up a consultative administrative body in Cambodia, as suggested by Japan last month. Beijing agreed with the initiative and a meeting of representatives of the PDK, Japan, China, and Thailand if there is no other way to persuade the PDK to continue implementing the peace process.

VOK Reports Talks Between Thai, UN Officials

BK0408082292 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 4 Aug 92

[Text] A high-ranking military official of the United Nations held talks with Thai Foreign Minister Asa Sarasin yesterday to find ways to break the deadlock over the implementation of the the cease- fire's second phase, which resulted from conditions imposed by the Party of Democratic Kampuchea [PDK] before it implements this crucial phase.

General John Sanderson said talks with Thai Foreign Minister Asa Sarasin were very good and that Thailand supports the UN Transitional Authority in Cambodia [UNTAC] in the latter's mandate to gather, disarm, and dissolve troops of all Cambodian parties.

After the talks, Asa Sarasin reaffirmed to General John Sanderson that Thailand will not support the Khmer Rouge and promised to work with the United Nations to bring peace to Cambodia.

Phnom Penh Troops Allegedly Shoot at UNTAC Car

BK0408070092 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 3 Aug 92

[Text] 1. On 24 July 1992, the Voice of America reported that on 23 July a group of unknown armed men shot at a UNTAC [UN Transitional Authority in Cambodia] police vehicle on Route 3, wounding three Algerian UNTAC police officers.

Later, according to a reliable source living near the site of the incident, at 2030 on the night of 23 July 1992, a group of Phnom Penh regime's soldiers fully armed with automatic rifles shot at an UNTAC police vehicle on Route 3 in an area 3 km south of Lbaeuk village in Kampot Province, wounding these three Algerian UNTAC police officers.

The source added that after shooting, those puppet soldiers fled to their barracks nearby.

2. This constitutes an act of violation committed with a clear political design, on the one hand, to completely do away with the UNTAC forces in Kampot Province and, on another, to rob their property and put the blame on the party of Democratic Kampuchea.

As a Cambodian saying goes: one cannot cover up a dead elephant with a lotus leaf.

Khmer Rouge Defends Implementation Proposals

BK0408092592 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 3 Aug 92

["Confirmation by the Party of Democratic Kampuchea concerning its successive proposals, particularly the 12 July 1992 proposal, for a correct and unbiased implementation of the Paris agreement"—date not given]

[Text] During the past several days, there were reports in Phnom Penh as well as in the international arena that:

1. The Party of Democratic Kampuchea [PDK] put forth proposals in order to negotiate the revision of the Paris agreement.

2. The PDK put forth proposals in order to dissolve the existing administrative structure.

3. The so-called Phnom Penh government should not be dissolved because it is a part of the existing administrative structure.

Concerning the above reports, the PDK wishes to make the following confirmation:

1) Why has the PDK made successive proposals? Is it for the correct implementation of the 23 October 1991 Paris agreement or for negotiation to revise the Paris agreement?

As a matter of fact, the entire Cambodian people inside and outside the country, including those in Phnom Penh, and the international community know very well that the PDK has made successive proposals for a correct implementation of the Paris agreement, particularly the following two key points:

First, to verify the total withdrawal of Yuon [derogatory term for Vietnamese] aggressor forces from Cambodia and their non-return to Cambodia. Second, to take serious measures for the Supreme National Council [SNC] to play its sincere role as the legitimate organization and sole source of power in Cambodia during the transitional period.

These two points are clearly defined in the Paris agreement. The PDK does not want to negotiate or revise anything. It wants only the correct implementation of these two key points.

2) Does the PDK make successive proposals in order to dissolve the existing administrative structure or to demand the correct implementation of the Paris agreement which says that the SNC is the sole source of power in Cambodia and that there is no government nor is there the so-called Phnom Penh government?

Concerning this matter, it is clearly and unequivocally stated in the Paris agreement that as of 23 October 1991, in Cambodia there will be only the SNC functioning as Cambodia's sole source of power, along with the UN Transitional Authority in Cambodia [UNTAC] and the existing administrative structure. Therefore, it is clear that there should be no other government nor the so-called Phnom Penh government in Cambodia. This is also stressed clearly and unequivocally in the successive proposals of the PDK.

The PDK does not demand the dismantling of the existing administrative structure. It only demands the implementation of the Paris agreement which stipulates that there should be no Phnom Penh government. Concerning this matter, His Excellency Akashi, special representative of the UN secretary general and chief of UNTAC, and the entire international community—particularly the five big powers—have already agreed that no government should exist during the transitional period.

3) Is the so-called Phnom Penh government with Chea Sim as its so-called honorary chairman, Heng Samrin as chairman [titles as heard], Hun Sen as prime minister, and Hor Namhong as minister part of the existing administrative structure or is it something else?

A. The so-called Phnom Penh government was installed by the Yuon aggressors after their invasion and occupation of Cambodia as their tool for controlling Cambodia. This matter is known to all Cambodian people both inside and outside the country. The international community is also well aware of this. The UN General Assembly has already condemned the Vietnamese aggressors and rejected the so-called Phnom Penh government.

B. The Yuon have continued to use this so-called Phnom Penh government they installed in carrying on their war of aggression. They have continued to send their forces and soldiers disguised as all kinds of cadres and more Vietnamese immigrants to Cambodia in gross violation of the 23 October 1991 Paris agreement.

C. As a matter of fact, the SNC does not have any right, power, or means to fulfill its role as the sole source of power in Cambodia. On the contrary, the so-called Phnom Penh government installed and controlled by the Yuon continues to handle all state affairs of Cambodia as if it is the government in Cambodia.

D. The so-called Phnom Penh government is not the existing administrative structure. The existing administrative structure should be the personnel of the administrative apparatus made up of the four Cambodian factions and placed under the supervision of UNTAC and the SNC. They should not be placed under the supervision of the so-called Phnom Penh government.

E. Therefore, according to the essence and spirit of the Paris agreement, the so-called Phnom Penh government should not function any longer. It should be dissolved.

4) During the past more than nine months since the signing of the Paris agreement on 23 October 1991, two key points have not yet been implemented. For this reason, the PDK has made successive proposals, particularly the ones dated 27 June and 12 July 1992, in the spirit of contributing to a correct and unbiased implementation of the Paris agreement. Only by implementing the two key points can the goal of the Paris agreement be achieved, thus enabling Cambodia to regain genuine peace, independence, and national reconciliation. Otherwise, just trying to forcefully regoup the Cambodian national resistance forces, particularly the forces of Democratic Kampuchea, in cantonment would only mean handing over Cambodia to the Yuon aggressors. If that were the case, then the entire Cambodian people both inside and outside the country would never accept it.

Khmer Rouge 25-27 Jul Truce Violations Reported

BK0108131192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 1 Aug 92

[Text] According to the Defense Ministry's Commission for the Coordination of Military Affairs with the United Nations, the Khmer Rouge continued to breach the cease-fire between 25 and 27 July by conducting military operations against positions of the Cambodian People's Armed Forces [CPAF] and wreaking havoc upon innocent people in the provinces of Siem Reap-Oddar Meanchey, Kompong Thom, and Preah Vihear.

The report said that on 26 July the Khmer Rouge raided the CPAF's position in Svay Leu district in Siem Reap-Oddar Meanchey Province, forcing the CPAF troops to retreat temporarily from the area. On 27 July, Khmer Rouge elements in O Treang fired 85-mm mortars and 50 rounds from DK-75 guns on Sre Noy village in the same province, destroying five houses. And on 25 July, the CPAF troops uncovered a Khmer Rouge arms cache, consisting of one APD gun, 500 rounds for a DK-75 gun, 500 rounds for a DK-82 gun, and 1,000 rounds for a 60-mm mortar in Banteay Srei District in Siem Reap-Oddar Meanchey Province.

On 27 July in Kompong Thom Province, Khmer Rouge soldiers from Division 616 fired 150 rounds from H-107 and DK-75 guns on O Pou Village.

And in Preah Vihear Province, the Khmer Rouge marshalled 250-300 soldiers from the Khsaoy camp in O Village, Bar 31 camp, and 547 camp in preparation for an onslaught on the district seat of Kulen. And at 1430 on 27 July, Khmer Rouge troops fired 15 rounds from H-107 guns on an area south of Pring Village in Sangkum Thmei District of the same province.

Defense Minister Praises War Invalids

BK0208034292 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 1 Aug 92

[Message of State of Cambodia's Defense Minister General Tie Banh on War Invalids Day—date not given; read by announcer]

[Text] On the 10th anniversary of War Invalids Day of the Cambodian People's Army [CPA], on behalf of the Defense Ministry, and in my own name, I would like to express most sincere gratitude and greetings full of warm and loving sentiments to wounded and disabled officers and men and families of fallen combatants for their sacrifice in flesh and blood to the cause of liberating the nation and motherland and defending the peaceful life of our people.

During the protracted struggle full of complex difficulties to save the nation and people, oppose the genocidal regime, and preserve our people's social and national gains to this day, many of our officers and men have made great sacrifices. A number of them have been wounded and have become invalids for life. The noble and lofty sacrifice in fresh blood and flesh to restore rights and freedom and the peaceful life of the Cambodian people is a fine act by officers and men who are worthy of being successors of the new army's traditions and good character under constant education and nurture of the Cambodian People's Party [CPP] and the State of Cambodia's Government.

The valuable examples have been remembered forever by all our motherland and Cambodian people; they are the best lessons for the people and new generations of Cambodians to follow so as to be worthy of being children with a patriotic conscience and genuine love for the people. The deeds of invalid combatants should be remembered. The Cambodian people always remember our combatants' hardship in battle to overcome countless obstacles to liberate them from the genocidal danger and to continue protecting them to this day.

Dear officers and men: Peace is the ardent aspiration of our army and people. Since the 23 October peace agreement, everyone is happy with the hope that peace will be revived in Cambodia with international assistance to eliminate the darkness which befell the country for more than two decades of blood-letting among Cambodians, separation, and suppression of sentiments.

However, this hope remains an expectation without a goal. Furthermore, a fearful threat still hovers over our people in a number of areas because the Party of Democratic Kampuchea [PDK] has refused to give up warmongering and power-hungry ambitions. These activities have further shown that the Khmer Rouge remain Khmer Rouge; they will never change. Although the peace process in Cambodia is being hindered by the PDK, the entire CPA and Cambodian people fully hope that the UN Transitional Authority in Cambodia [UNTAC] will not let the 23 October agreement be threatened by the Khmer Rouge.

On this occasion, on behalf of the Defense Ministry, I appeal to all CPA officers and men to continue cooperating well with UNTAC and continue to correctly implement the agreement to make our people's search for peace successful. I appeal to wounded officers and men and families of disabled combatants to preserve noble honor worthy of heroism for our motherland and Cambodian people to remember.

Once again, on behalf of the Cambodian People's Party, the State of Cambodia's Government, the Defense Ministry, and in my own name, I wish speedy recovery to disabled officers and men in various rehabilitation centers and convalescing officers and men. Best wishes to the families of fallen combatants who have sacrificed by giving up their beloved relatives to the cause of the motherland and nation. May they always enjoy happiness.

National Assembly Standing Committee Meets

BK0408094192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 4 Aug 92

[Text] Starting on 10 July 1992 and continuing for a dozen days, the Standing Committee of the National Assembly under the chairmanship of His Excellency Mat Ly, vice chairman of the National Assembly, studied and discussed a number of bills, such as the draft labor law, land law, and law on the monetary institution, and the amendments to some articles of the law on foreign investment in Cambodia, and interpreted Decree-Law 34-DL at the request of the Supreme People's Court. Aside from the above task, the National Assembly's Standing Committee examined the contents of the reports on the first half year's activities of the National Assembly, the Council of State, the Council of Ministers, the Supreme People's Court, and the Public Prosecutor's Department to be presented to the 23d ordinary session of the first legislature on 6 August 1992.

Laos

ADB Mission Received by Khamsai Souphanouvong

BK3107121492 Vientiane KPL in English 0903 GMT 31 Jul 92

[Text] Vientiane, July 31 (KPL)—First Deputy Minister of Economy, Planning, and Finance, Mr. Khamsai Souphanouvong, received here yesterday morning an Asian Development Bank (ADB) mission headed by Mr. Morita, director of the Planning Department of the ADB.

The two personalities discussed comprehensive macroeconomic planning, strategies in economic development of the Lao Government as a basis for the study and planning of cooperation among the countries in the region including Laos, Vietnam, Cambodia, Myanmar, China, and Thailand.

During the visit between 29th July-1st August, 1992, the ADB mission will hold meetings with the leading bodies of Ministries of Economy, Planning, and Finance; of Communications, Transport, Post, and Construction; of Industry and Handicraft; of Trade and Tourism, representatives of international organizations in Laos, and some eminent Laotians.

Meets Vice Premier Khamphoui

BK0108102492 Vientiane KPL in English 0903 GMT 1 Aug 92

[Text] Vientiane, August 1 (KPL)—Mr. Khamphoui Keoboualapha, vice premier and minister of economy, planning, and finance, yesterday afternoon, received Mr. Morita, director of the ADB's [Asian Development Bank] Planning Department who has visited Laos since July 29.

Several issues concerning the Lao Government's economic policy and its past and present relations with the Asian Development Bank were raised.

PASASON reported that both sides were pleased with the results of their cooperation. The vice premier expressed the Lao Government's gratitude for ADB's continual support to Laos in the forms of grants and loans which are on an increasing trend.

Through the discussion with many Lao officials, the ADB mission was to find out Laos' capacity in widening the cooperation with neighbouring countries, such as Vietnam, China, Myanmar [Burma], Thailand, and Cambodia, particularly with regard to the increase of electric power generation for export. Also raised were issues such as over land, air and river communication and transport, production of foodstuff in case of flood and drought in the plain areas of the country.

Also discussed were questions pertaining to the provision of alternatives for mountain dwellers so that they would forego their traditional shifting cultivation which is dangerous for the country's tropical forests and environment.

ADB mission includes the visits to Thailand, Cambodia, Vietnam, China, and Myanmar. This is in anticipation of the forthcoming meeting of the six countries to be held next September in the Philippines.

The ADB mission is due to leave Laos today.

Government Allowing Broad Economic Reform

BK0408055192 Bangkok THE NATION in English 4 Aug 92 p B6

[By Jonathan Spalter]

[Text] In the fetid and muddy stalls of Vientiane's central market, the seeds of free enterprise are beginning to take root as the communist government of Laos slowly begins to open its doors to the outside world.

For most of the past 20 years Vientiane's market has been strictly stocked with Laotian goods.

New imported electronic gadgets, videocassettes, and stereos share space with more traditional Laotian delicacies such as boar meat, snakes, toads, and bamboo rats.

"The market is now completely different. Last year we never saw such things as videotapes. Now we have seen them, and we want more." says That Phonivang, a market vendor.

Sitting in the shade of an American military parachute left over from the Vietnam War. That does a brisk business selling portable hand-held video games to curious Laotian shoppers.

"I never thought the government would let me sell these machines. Before I could sell only cloth made in Laos. Now I can sell anything I want."

That earns over $120 a month, more than six times the average monthly salary of senior Laotian government officials.

When the communist Pathet Lao seized power in 1975, traders like that were cut off from the rest of the world by their xenophobia political leaders. But now, desperate to stay afloat in choppy socialist waters, the Pathet Lao is jettisoning its hammer and sickle emblems in favor of broad economic reforms.

This "new thinking", as it is known, is as sweeping as any of the reforms in Eastern Europe or Russia, economists here say.

Farms have been fully privatized, and the state competes for crops with private traders at market prices. State-owned businesses and factories, once centrally planned, are now autonomously managed. And on the streets of Vientiane, vendors are no longer prohibited from selling foods imported from the noncommunist world.

For many Laotians, these reforms have offered the first glimmer of hope in an economy ravaged by years of war, poverty, and mismanagement.

With an average per capita gross domestic product of $180, Laos is ranked by the World Bank as one of the world's poorest nations. Eighty per cent of the country's 4 million citizens subsist on what they can grow or hunt in the country's jungles.

When the Pathet Lao came to power, it banished an estimated 40,000 skilled civil servants to "re-education camps" in remote mountain provinces to build roads and clear dense forests. Faced with the threat of internal exile or worse, some 350,000 Laotians fled to refugee camps in Thailand.

"The brain drain was staggering. By denying itself access to most of the country's trained manpower, Laos's leadership has had a very difficult time making its economy efficient," says Hussein Khan, the Laos representative of the United Nations High Commissioner for Refugees.

But recently the Pathet Lao has encouraged its internal exiles and refugees to return to their homes. The men and women who recently were the enemies of the state are becoming the main engines of its economic reconstruction.

"Laos is now emerging from the shadows," says Domon Bolivar, the co-proprietor of the Asian Pavilion Hotel in Vientiane.

"We now have the freedom to own our own business. Before it was an offence to be a capitalist."

A retired colonel in the Royal Lao Army, Domon served 13 years in a Pathet Lao prison camp before his release in 1989. "The government set me free, and gave me back my hotel, which they stole from me in 1975. Now I have a joint venture with Thailand and with my government to renovate it into a modern facility," he says.

Meanwhile, foreign business people are visiting Laos in record numbers to take advantage of the liberal foreign investment codes recently enacted by the Pathet Lao.

According to Laotian and United States officials, more than 300 joint ventures have been signed since 1990, boosting Laos's foreign reserves by an estimated $70 million.

"It's the final frontier," says Eric Langhorne, an Australian geologist on a two-year assignment to explore for mineral resources. We really have no competition. "

But though business confidence may be high, some diplomats here say Laos's new prosperity still must develop deeper roots in order to succeed.

Campaigns for Trade Union Congress Urged

BK0108053392 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Aug 92

[PASASON editorial: "Strive To Launch Campaigns To Welcome Third Nationwide Lao Trade Union Congress"; date not given]

[Text] Recently, the Federation of Lao Trade Union [FLTU] Central Committee, in collaboration with the committee in charge of making preparations for the third nationwide trade union congress, issued an instruction to trade unions at all levels throughout the country to launch campaigns, under different forms and with profound contents, to record achievements to welcome the congress. The instruction is considered to be very significant and urgent. It is intended to translate into reality the resolution of the Political Bureau of the Lao People's Revolutionary Party [LPRP] Central Committee on the granting of authorization to the FLTU Central Committee to make arrangements for the convening of its congress in the near future.

Since early this year, Lao trade unions at various levels throughout the country, in particular those at the grass-roots and district levels, have taken action to consolidate their apparatuses in the political, ideological, and organizational fields. The consolidation of the said apparatuses has created primary, favorable conditions for the convening of trade union congresses at the provincial and branch of service level. To date, provincial trade union congresses have been held in 10 provinces while trade unions of three provinces are preparing to hold their congresses. Four others still do not have sufficient conditions to hold their congresses. However, trade unions of the four provinces have held meetings of cadres to review and assess their past achievements and activities. They have also voted to elect their full delegates to participate in the third nationwide Lao trade union congress. Five out of the total of seven trade unions at the level of branches of service have completed their congresses. Two others are striving to make preparations to hold their congresses or meetings of cadres at their level. Eleven out of the total of 24 grass-roots trade unions under ministries or equivalent organizations attached to the FLTU Central Committee have completed their congresses. Thirteen others are still making preparations to hold their congresses.

This situation requires that we increase our spirit of responsibility and further strive to fulfill the direction as set forth by the party and the FLTU Central Committee. To successfully do so, it is necessary for trade unions of all provinces, city municipalities, branches of service, and grass roots to firmly grasp the following spirit and contents of the instruction:

Trade unions of those provinces, city municipalities, branches of service, and grass roots which have already held their congresses are requested to organize to translate into reality resolutions of their congresses, meaning to publicize direction and plans of the trade unions to cadres and trade union members to enable them to understand and acknowledge the direction and plans. At the same time, they must adopt concrete measures to encourage and launch campaigns to put those directions and plans into actual practice based on the practical and specific conditions of each locality. The contents of the campaigns must conform to the political tasks of localities, branches of service, and grass roots in each stage. Simultaneously, they must positively contribute to the national defense and public security maintenance work. For example, they must organize to educate and train cadres and trade union members as well as workers and laboring people to heighten vigilance against the enemy's schemes to affect a peaceful change in order to securely protect public, collective, and personal property. Arrangements must be made to regularly review, follow up, and boost the campaigns at the end of each stage. Attention must be paid to collecting information about achievements of the campaigns and then publicizing them through mass media. In addition, arrangements must be made to review and assess the achievements and to praise and hail those which win outstanding achievements while settling weak points or shortcomings in a timely manner.

All these require that leading committees of trade unions at all levels take the initiative to draw views from party committees and people and then closely coordinate with local administrations and mass organizations in organizing to successfully implement the instructions of the FLTU Central Committee. By so doing, favorable conditions can be created for the recording of notable achievements and the fulfillment of objectives at a high level of the third nationwide Lao trade union congress, which is scheduled to be held soon.

National Trade Chamber Concludes Annual Meeting

BK0108140292 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 1 Aug 92

[Text] Yesterday, the National Chamber of Trade and Industry concluded its annual meeting after a two-day working session under the chairmanship of its chairman, Khamma Phomkong. The meeting assessed and reviewed the performance of the chamber over the past three years. It pointed out the chamber's competence in expanding its network and setting up more regional branch offices in six provinces in the central and southern regions, namely Savannakhet, Khammouane, Champassak, Saravane, Attopeu, and Sekong. These branch offices have created favorable conditions for the regional trade chambers, allowing them to more smoothly export goods and more efficiently handle transit goods.

The delegates attending the meeting also expressed fundamental views on the promotion of goods production and the development of strategic relations among the various services in the trade chambers with a view toward finding ways to export goods to foreign markets. The delegates also unanimously adopted a resolution expressing determination to further expand trade work and to boost goods production in a more efficient manner in order to gradually create a strong foundation for economic development in our country.

Philippines

Manila Asks for $100 Million in Soft Loans

HK0408033892 Manila PHILIPPINE DAILY INQUIRER in English 4 Aug 92 p 18

[Text] The Philippines is seeking $100 million in soft loans from Taiwan for private sector-initiated development projects, Trade and Industry Secretary Rizalino S. Navarro said yesterday.

He said the loans could come in the form of a facility similar to the Asean-Japan Development Fund which Tokyo established to assist members of the Association of Southeast Asian Nations.

Navarro said that Vincent C. Siew, economic affairs minister of Taiwan, responded positively to the Philippines' request for an initial $100-million private sector loan fund.

The money is expected to be sourced from the Industrial Economic Cooperation Development Fund (IECDF), Taiwan's version of the Overseas Economic Cooperation Fund (OECF) of Japan.

Navarro said the Department of Trade and Industry and the Board of Investments would propose that activities listed in the Investments Priorities Plan (IPP) be qualified for the private sector development fund.

Under the Asean-Japan Fund, the BOI identified preferred areas for financing under the program.

However, this facility was made available not only to the Philippines but to other Asean members as well. Brunei and Singapore were not allowed to tap the soft loan component of the Asean-Japan Fund because of their economic standing.

Navarro said that Taiwan intends to assist the country in putting up major projects such as power generation plants and industrial estates.

In a speech during the 7th Joint Meeting of the Philippine-Chinese Business Council and the Chinese-Philippine Business Council in Manila yesterday, Navarro said that he hoped for an increase in Taiwanese investments in the country and for improved trading between Manila and Taipei.

He identified specific areas where the Philippines can be competitive and where Taiwanese technology and production expertise will fit in such as textile yarns and fibers, petrochemicals, cement and metal products, electronics, and plastic products.

"There are also opportunities in steel and construction materials, food and food processing, aquaculture, gifts, toys and housewares, industrial estates, manpower services and tourism," the Trade chief said.

CB Foreign Exchange Reserves Continue Rise

HK0308054892 Manila PHILIPPINE DAILY INQUIRER in English 3 Aug 92 p 17

[Arleen C. Chipongian]

[Text] The Central Bank [CB] continues to build up its foreign exchange reserves as it bought a total of $1.5 billion from January 1 to July 17 this year, official documents showed.

This exceeded the programmed $630 million purchases for the first seven months of the year.

The sustained heavy buying of dollars by the CB in the foreign exchange trading floor of the Bankers Association of the Philippines (BAP) in the last seven months was a major factor in the appreciation of the value of the peso against the American currency.

The build-up in the dollar purchases of the CB contributed to the high international reserves of the government which was estimated at $4.14 billion as of end-July.

In addition to the huge reserve holdings of the government held by the CB, the local commercial banking sector is also awash with foreign exchange.

As of July 9, the banks' international reserves stood at $4.5 billion, bringing up to $8.6 billion the gross international holdings of the country held by both the public and private sectors.

The combined international reserves level of $8.6 billion as of last month is above the $8.3 billion target for the full year this year.

The huge reserves of the CB and the banking system have curbed speculative attacks against the peso.

The peso value has been appreciating, with last Friday's guiding rate at P24.898 [pesos]:$1.

Exporters are the hardest hit by the strong performance of the peso as this effectively reduced their export receipts. They claimed that this has also eroded their competitiveness in the export market.

Earlier, exporters asked the monetary authorities to intervene in the foreign exchange trading floor to influence the movement of the peso to the programmed P28-P30 against the U.S. dollar as originally projected by the National Economic and Development Authority [NEDA] this year.

Last week, however, the NEDA revised the exchange rate projection to P27:$1 following the continued strong showing of the peso.

CB Governor Jose L. Cuisia Jr. said earlier that the CB's active participation in the foreign exchange trading floor has been propping up the value of the U.S. dollar in favor [of] exporters.

Without its participation, he said the peso value could have strengthened to P24:$1.

In another development, the Monetary Board, the CB's policy-making body, will seek presidential approval for the flotation of new $150 million dollar-denominated Treasury bills.

Part of the proceeds of the Treasury bill sales will be used by the government to finance public investments, particularly infrastructure needed in areas damaged by natural calamities.

The dollar-denominated Treasury bills will have a maturity of not more than one year and will carry interest rates based on the 180- day London interbank offered rate.

The proposed issue date is August 28, 1992.

Denominations of the securities will be in $10,000, $50,000 and $100,000.

Earlier, the government issued $150 million worth of dollar-denominated Treasury bills but only $118 million of the securities were bought in the market.

Senators Call for CB, Monetary Board Abolishment

HK0408030092 Quezon City MALAYA in English
4 Aug 92 pp 1, 6

[By Romy Tangbawan]

[Text] Saying the country's fiscal and monetary situation is in a mess, a group of senators sought yesterday the abolition of the Central Bank [CB] and the Monetary Board.

Leading the move was Senate Majority Floor Leader Alberto Romulo (LDP) [Struggle of Filipino Democrats], author of a bill seeking to put up instead a Central Monetary Authority (CMA) that would be independent from Malacanang. This would be similar to the Federal Reserve Bank in the United States.

The senators said Congress should act with dispatch on the CMA bill, stressing that the continued interference of the Palace on monetary policy-making is "counterproductive."

Sen. Edgardo Angara said the President, under the present set-up, "can dictate the monetary policy through his alter ego in the Monetary Board."

"Ours is a Central Bank that is political and exercises both fiscal and monetary policies," Angara said.

He said the independent monetary authority "is necessary if the government really wants interest rates and foreign exchange rates to follow the natural course" as President Ramos expressed in his state of the nation address last July 27.

Angara said the enactment of the CMA law would also pave the way for the removal of Central Bank Gov. Jose Cuisia from the government's policy-making body.

"We should start with (the abolition of) the Central Bank because that will automatically remove Cuisia," he said.

Cuisia is the target of attacks by senators reportedly because of his "continued mockery" of Congress' appeal for consultations, particularly on the foreign debt issue.

"Para bang pinapaikot lang tayo," [It's as if they are driving us around in circles], said Sen. Raul Roco (LDP), who chairs the committee on banks and financial institutions.

Roco cited the case of the Joint Executive-Legislative Council which, he said, was used by President Aquino and her financial advisers as a "cosmetic."

He said the debt council "was actually used by the executive for PR [public relations] purposes because all it could do was to recommend and these recommendations were never followed."

Also supportive of the CMA bill were Minority Floor Leader Teofisto Guingona Jr, (Ind) [independent] and Orlando Mercado (LDP).

Senate Names New Committee Heads, Others Vacant

HK0408024392 Quezon City MALAYA in English
4 Aug 92 p 6

[By Romy Tangbawan]

[Text] The Senate majority yesterday constituted 28 of its 35 standing committees but deliberately withheld action on the rest to prevent its fragile alliance from collapsing.

Senate President Neptali Gonzales refused to link the inaction on the seven committees to the problem in resolving the chairmanship of the blue ribbon committee but insiders said he is in a dilemma because most of his partymates [as published] want to give the committee to Sen. Wigberto Tanada.

Gonzales had reportedly promised the committee to Sen. Ernesto Maceda (NPC) [Nationalist People's Coalition], whose shift of support along with two other NPC members spelled the failure of a Malacanang-backed move to form a new majority.

LDP [Struggle of Filipino Democrats] stalwarts, however, reportedly insist that Tanada is the "real swing vote" that prevented the LDP majority collapsing, apart from the fact that Tanada is seen to be the most logical choice for the committee because of his "untainted" record.

Known properly as the committee on public accountability, the blue ribbon committee is the most powerful investigating arm of the Senate.

It was learned that Gonzales is intent to give Maceda the committee for fear that the Senate President Protempore would get back at him by forming a new majority in the near future.

Sources said Gonzales was offering another committee to Tanada but the problem is who among the LDP senators would give up his committee. Tanada and Maceda said they were leaving the decision to the LDP.

Because of the squabble, the Senate deferred action also on the committees on agrarian reform, natural resources and ecology, electoral reforms and people's participation, cultural communities, and accounts.

There is also a move to split the natural resources and ecology committee into two.

Majority Floor Leader Romulo was given the committee on rules, while Edgardo Angara (LDP), finance and education committees; Emesto Herrera (LDP), ways and means and labor committees; Orlando Mercado, defense and science and technology committees.

Gloria Arroyo (LDP0, economic affairs, trade and commerce; Blas Ople (LDP), foreign relations, civil service and government reorganization; Raul Roco (LDP), justice and human rights, banks and financial institutions; Agapito Aquino (LDP), agriculture and foods, government corporations and public enterprises; Ramon Revilla (LDP), public works, rural development.

Freddie Webb (LDP), health, games and amusements; Francisco Tatad (NPC), social justice and welfare; Vicente Sotto III (LDP), local government, tourism; Rodolfo Biazon, ethics, urban planning and housing; Heherson Alvarez, public services.

Anna Dominique Coseteng (NPC), public information and mass media, women and family relations; and Jose Lina (LDP), constitutional amendments, youth and sports.

Lawyer Camilo Sabio was unanimously reelected secretary general of the House of Representatives yesterday while retired Brig. Gen. Bayani Fabic was named sergeant-at-arms replacing Commodore Serapio Taccad.

All 156 congressmen present voted for the retention of Sabio and the appointment of Fabic.

Sabio served as House secretary-general during the term of former Speaker Ramon V. Mitra Jr. Before his appointment, Sabio, who graduated from the Ateneo law school in 1961, served in various government offices which include the Office of the President and the Supreme Court.

Fabic, on the other hand, is a member of the Philippine Military Academy Class of 1958 and was commanding general of the Northern Luzon Command of the Philippine Constabulary from 1988 to 1989.

Ramos Discusses Amnesty, Taiwan Relations

HK0408015692 Quezon City Radyo ng Bayan in Tagalog 0613 GMT 3 Aug 92

[News conference by Philippine President Fidel V. Ramos at Malacanang Palace in Manila with unidentified reporters from the Malacanang Press Corps; moderated by Rod Reyes—live, in English]

[Excerpts] [Ramos] Thank you, Rod. Please make yourselves comfortable, ladies and gentlemen. This is another kind of activity that we hope to be able once every Monday. The first one was Magtanong sa Pangulo [Ask the President]. The reactions were lukewarm. The next was a talk show, Firing Line. Reactions were pretty good from Firing Line. But not from the others who were not part of it. The last one, which was last week, the day we had the state-of-the-nation address, was lunch cum press con [conference] for the Malacanang Press Corps. That was very well received, especially the lunch. [laughter] So today we are trying something else, and this is the explanation of all of this. So Rod will moderate; we are ready for your questions.

[Reporter] Sir, this morning you said something about the communists or the rebels: If they do not accept the amnesty program you talked about, [then you will be] rooting them out completely. May we know what this entails? And does this mean that you are now laying bare your iron fists?

[Ramos] No. We have the commitment to them that we will go through a process, which starts with an amnesty proclamation, that will have to be concurred in by a joint resolution of Congress, and then further steps, like the organization of a National Unification Commission [NUC] or National Unity Commission or Commission for National Unity. In fact, this is already embodied in a resolution passed by the House, I understand.

The next step would be to look at the administrative actions, such as executive clemency, pardon, that the president can exercise. But the departments down below must identify who are these people and what are these cases. And we shall await the reports of the Department of National Defense and the Armed Forces, Department of the Interior and Local Government, as well as the Department of Justice. And then the fourth step would be the repeal of Republic Act 1700, as amended. These are basically executive-legislative joint actions.

Now, as to rooting them out where they have consistently refused the hand of friendship, I am using the example of Misamis Oriental, where a peace mission on the part of the PNP [Philippine National Police] to seek out the NPA's [New People's Army] in the hills resulted in an ambush and a massacre almost, in which at least seven of our people died and three are missing. That is the kind of thing that we would have to hit hard, because respect for law must be upheld in this society of ours. There are peaceful communities and democratic political institutions to be protected; so that is what that means.

[Reporter] Sir, last question. Sir, the communist rebels rejected your call for an amnesty because it would mean laying their arms. May we have your comment?

[Ramos] No, they are imagining things in regard to the laying down of arms, because that has already been modified precisely by this four-step process.

The first step applies to those that have already manifested their adherence to the Constitution and respect for our laws and the renunciation of the armed struggle or the revolutionary means to acquire state power. In fact, the more than 4,500 or the more than 4,400 rebel returnees that have so manifested their desire to return to the mainstream of our society are roughly 40 percent ex-NPA's. They have already laid down their firearms. So with a lot of MNLF [Moro National Liberation Front] and some military rebels.

So, we have, however, to validate that voluntary action of theirs, because, under the law and the Constitution, they must eventually be cleared by an amnesty. So that first step that I mentioned applies to them. The NUC now, will— if that is constituted—provide the rules and regulation for the next batch that would want to come in, who are those still in the underground or at large or who have not submitted themselves to the jurisdiction of the Philippine Government and the Philippine Constitution and who insist on talking about their own government.

So, I think they are a little missing the point here. Anyway, the four steps are still there. And whoever wants to avail of them once this is finally confirmed by Congress to me is a very good formula. [sentence as heard]

[Reporter] It has been a month since you assumed the presidency. Could you give us your assessment of the presidency in the first 30 days?

[Ramos] Well, you know, media has been very critical about the so-called 30 days, and they completely misunderstood it. I did not use the weekend to sit down to write my 30-day report because, if there is such a report, which there is none, it would be too close to the state-of-the-nation report, which was done only on the 27th of July.

The truth of the matter is that I spent the weekend looking at the 30-day reports I demanded from the cabinet secretaries of their 30 days, because we provided them a list of tasks to be undertaken and to be considered as priority for the first 100 days. So I wanted to know what is the progress of your work, and I'll give you an example. Here is a report of the secretary of agrarian reform dated July 31st. And I got about 15 of these. And this is what used my time for studying. And then in turn, our presidential management staff compiled these and summarized these and put in some recommendation on how we can move faster. So that is the story of the 30 days.

[Reporter] What is your assessment of the report that they submitted to you?

[Ramos] Why don't you just be the one to (assist) me? [laughter]

[Silva] Good afternoon, Mr. President, I am Zeny Silva of Business London Television. We had, in which you were their guest speaker, the 7th meeting of the China-Philippine Business Council, and it seems that, through the statement of the secretary of the finance of Taiwan, they were very eager to extend the cooperative ventures. Sir, do you not see any possible problems with regard to one-China policy about this one?

[Ramos] Well, I am sorry I did not meet that official. I think he was in the audience, but I had left when he spoke. We are now emphasizing our adherence to the one-China policy, which is well spelled-out in our memo of agreement with the People's Republic of China when this government, in 1974, recognized the PRC.

Now, our policy continues to be an intensification of our economic, cultural and people-to-people exchanges with all of our neighbors that would mutually benefit from such exchanges. And the policy that we are carrying on with Taiwan respects the one-China policy, but, at the same time, everybody must know that this country must recover economically; this country must grow, so we must avail of every opportunity for investments, for trade, and for tourism.

Taiwan happens to be our closest neighbor with a lot of investable [as heard] surplus, and there is a very active mechanism for creating mutually beneficial economic opportunities, such as the one today. So, we are pursuing those economic, cultural, and people-to-people initiatives.

[Silva] Thank you.

[Reyes] Would our journalist friend from Taiwan have any follow-up question?

[Reporter] I would like to recognize...[break in reception]

[Ramos] Yeah, you please obey the rules. [laughter]

[Ernco] Mr. President, my name is (Ernco) from Taiwan Television. We were so inspired and encouraged by your speech (word indistinct) this morning.

[Ramos] Oh, thank you. That's why I told you to wait for the speech and not to ambush me there on the lobby. [laughter] These other people follow the rules, you know.

[Ernco] We [word indistinct] rules now.

[Ramos] Those rules are for you. [laughter]

[Reporter] My question to you: [word indistinct] under the one-China policy, is it possible to improve the Taiwan and Filipino relations in the future, and how far is it possible to establish official ties in the future?

[Ramos] Okay, let's ask one question at a time, and let's reserve the others for the future, okay? [laughter]

Yes, it is very possible to improve our relations within the framework of what I just said, our economic, cultural, and people-to-people relations, and let it develop naturally after that. [passage omitted]

[Cheung] Mr. President, my name is Deborah Cheung. I'm from Taiwan Television Station. I would like to ask that: Many business people from Taiwan are worried about their safety in the Philippines. We understand that you have established a commission, and can you please explain again? How far are the measures going and please restate your decision in doing...

[Ramos, interrupting] Well, this morning, I gave that guarantee to the investors and tourists, our friends and neighbors from Taiwan, about their personal safety and security. This has been improved very much in this administration. As far as the work of the Presidential Anticrime Commission is concerned, well, I said the campaign has started to pay off—and that is on the record—because scalawags in uniform as being identified, they are being smoked out, so to speak, so they are now under investigation. A couple of kidnap-for-ransom gangs have already been apprehended, and their investigation is continuing, and I am sure their prosecution before our courts will take place. So there is some action and some results that are taking place.

[Reyes] Gabby Tabuniag of CBS.

[Tabuniag] Mr. President, what was uppermost in your mind when you proposed some constitutional amendments and going as far as saying that Congress might be made into a constituent assembly? When do you expect to have these amendments formalized?

[Ramos] This is basically in the field of electoral reforms because of our experience during the last campaign and the last election, including the transition period. In fact, we have met already the chairman of the Commission on Elections together with one of his commissioners, in the presence of congressional leaders, senators and congressmen. The matter will be left in the meantime in a, let's call it a backburner position, while we talk about the legislative agenda for 1992 and 1993, because that has a higher priority. We must push through our legislative agenda for 1992-1993 before anything else.

[Tabuniag] Did you have any other amendments to the Constitution which you wanted inserted or taken...

[Ramos, interrupting] Well, with regard to economic recovery, the matter of the 40-60 equity holding of Filipinos and non-citizens perhaps can be reexamined, but there are certain remedies available under the law right now, such as the so-called horizontal condominium proposed law, which is being introduced into the mill. That was a bill that almost succeeded in the last session, that would give foreign investors, especially those inside industrial estates, the right of actual possession of the land on which their factory sites are built. There is also the proposal to extend the leasing of government land from 25 to 50 years, with a renewable period of 49 years, in effect making the land available to the investor or occupant for 99 years. Things like that which are geared towards our economic recovery and growth are what are being considered right now.

[Tabuniag] I raised that because were political considerations being discussed before, saying there were other political proposals that could be handled by a constituent assembly.

[Ramos] Well, it's a matter of priority right now. We have to give priority to our economic concerns right now. [passage omitted]

Abadia Confirms Talks With Military Rebel

HK0408061992 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 3 Aug 92

[Text] Armed Forces Chief of Staff Gen. Lisandro Abadia has confirmed he held talks with ex-Lt. Col. Billy Bibit. Abadia added his conversation with Bibit was held last month as part of the government's efforts towards national unification.

According to Abadia, the meeting was made possible through a safe conduct pass issued to Bibit through his Philippine Military Academy classmates.

Abadia has criticized Bibit for exposing to media what they talked about despite their agreement of secrecy.

Thailand

Thai-PRC Efforts on Cambodia Situation Cited

BK0408021692 Bangkok THE NATION in English 4 Aug 92 p B2

[Text] Thailand and China yesterday agreed on important steps to strengthen the role of Cambodia's Supreme National Council (SNC) as an incentive to the Khmer Rouge to abide by the United Nations peace plan.

Foreign Ministry spokesman Sakthip Krairoek said both sides agreed the weekly SNC meeting should be scaled down to include only the Cambodian representatives and UN Transitional Authority in Cambodia (UNTAC) civilian chief Yasushi Akashi. This would promote the spirit of national reconciliation among the four former warring factions as had prevailed during SNC meetings held in Phatthaya last year.

Sakthip said they also agreed to a Japanese proposal to set up an administrative consultative body to assist the SNC before the reconciliatory body and UNTAC make decisions.

Intensive diplomatic activity was revived yesterday between Thailand, China and the Khmer Rouge in an attempt to persuade the Marxist faction to abide by the second phase of UN peace plan, involving disarmament and cantonment of troops of the four Cambodian factions, which is due to be completed by the end of September.

Chinese Vice Foreign Minister Xu Dunxin, heading a team of Chinese experts on Cambodia, held talks with senior Foreign Ministry officials yesterday morning and later with Foreign Minister Asa Sarsin. Both the Chinese and Thai officials met Khmer Rouge leader Khieu Samphan late in the afternoon.

Emerging from the afternoon session, Xu said he had informed Khieu of the results of the discussions with Thai officials but he said there was no "substantial response" from Khieu.

The Khmer Rouge has said UNTAC's alleged failure to verify the withdrawal from Cambodia of all Vietnamese soldiers is one reason for their refusal to surrender their troops and arms to UNTAC. The faction has also called for a more powerful SNC which groups the four factions.

The radical group also said it would agree to demobilize its forces after the Phnom Penh government is disbanded—a condition rejected by the UN as being "out of the Paris framework".

Sakthip said China agreed the solution to the deadlock in the peace process was neither to dismantle the Phnom Penh administration nor to apply international sanctions against the Khmer Rouge which already have been approved by the UN.

According to Sakthip, both Thailand and China agreed every effort should be made to strengthen the role of SNC as well as to enhance the leadership of Prince Norodom Sihanouk in SNC meetings.

The spokesman said meetings of the SNC, unlike previous successful rounds in the lead-up to the signing of the Paris agreement last October, involved "too many participants". Participants included the 12 members of the SNC, representatives of UNTAC as well as those from the five permanent members of the UN Security Council, from ASEAN and from Australia.

Of the proposal to set up advisory body to the SNC, Sakthip said both China and Thailand saw it as the most practical solution to enable the SNC to function successfully. The Khmer Rouge had proposed a working committee, representing the by four factions, be set up to implement decisions made by the SNC and UNTAC.

UN Military Chief in Cambodia Holds Border Talks

BK3107132492 Hong Kong AFP in English 1124 GMT 31 Jul 92

[Text] Bangkok, July 31 (AFP)—The military commander of U.N. peacekeeping troops in Cambodia is in Thailand for talks with government and military officials on the situation along the Thai-Cambodian border, officials said Friday.

Lieutenant General John Sanderson, commander of the military component of the U.N. Transitional Authority in Cambodia (UNTAC), arrived in Thailand on Thursday to review the overall situation along the border, the officials said.

Although complications arising from the Khmer Rouge guerrilla faction's refusal to comply with the U.N. peace plan were expected to be touched on, Sanderson's discussions here were not expected to focus solely on the Khmer Rouge problem, they added.

A U.N. official in Phnom Penh said Sanderson's visit was aimed at reviewing "continued military cooperation between UNTAC and Thai military leaders ... to come up with guidelines for movement of UNTAC personnel along the border".

The Khmer Rouge, the most powerful anti-Phnom Penh government guerrilla group, has virtually banned the United Nations from its areas of control in border regions in western and northern Cambodia.

A contingent of U.N. peacekeepers from the Netherlands has been waiting to enter the Khmer Rouge control area in the west of the country since early June.

According to reliable sources monitoring developments in Cambodia, there have been suggestions that the Khmer Rouge would rather have units from southeast Asia assigned to their zone and not the Dutch troops.

There have been growing calls from countries involved with the Cambodian peace process for Thailand to sever lucrative cross-border trade links with the faction until it complies with the U.N. peace plan.

Sanderson, who travelled to the border Friday, was due to return to Phnom Penh on Monday, the officials said.

Thai Traders Active in Khmer Rouge Areas

BK0408052592 Bangkok THE NATION in English 4 Aug 92 p A4

[By Kunchada Chaiphiphat]

[Text] The United Nations military chief in Cambodia said yesterday that Thai businessmen are very active in the areas controlled by the Khmer Rouge.

Lt Gen John Sanderson informed Foreign Minister Asa Sarasin of his impression during his weekend's visit to Pailin and other areas controlled by other two factions along Thai-Cambodian border.

Sanderson [said] there were a "lot of activities" of Thai traders in the Khmer Rouge-controlled areas.

But Asa immediately downplayed Sanderson's statement, saying it was not an indirect call for Thailand to curb the trading activities, which are widely seen as the communist guerrillas' main source of income.

Speaking to reporters after an hour long discussion with Sanderson, Asa reaffirmed the Thai government's commitment to cooperate with United Nations Transitional Authority in Cambodia [UNTAC].

The Thai government will in "every way" ensure the full implementation of the Paris peace agreement, he said. But he stopped short of pledging suspension of trade links with the Khmer Rouge.

The United Nations Security Council recently passed a resolution calling for a ban on international aid to the Khmer Rouge if they continue to defy the UN peace plan.

Asa said the Thai government can not intervene in the private business with the Khmer Rouge who are cashing in on gem mining.

Currently five companies are mining in Pailin.

Another 20,000 individual traders are searching for gems south of the same town.

Asa was the first government official to openly speak of Thailand's gem mining in the Khmer Rouge's zones.

"There is no taboo for private sector to trade with Cambodia. To stop them from doing what they are doing means to give them compensation for the income losses," he reiterated.

"The Thai government could not afford to pay them, but would ask if the UN could," he said.

Asa said Sanderson was pleased with the Thai-UNTAC cooperation including providing facilities.

Sanderson also expressed satisfaction with the access allowed to the UN forces to all Thai-Cambodia border points.

Informed sources said Sanderson was accompanied to the Khmer Rouge's controlled areas by Gen Ampon Tuthaphuthi, a politico- military liaison officer attached to the Foreign Ministry.

Asa also informed UNTAC military chief of Thailand's effort to persuade the Khmer Rouge to disarm their forces with the UNTAC.

Sanderson described his talks with Asa as "excellent" on the overall cooperation between Thailand and UNTAC.

He said the UNTAC's most important job was to fulfill its role in supervising the civil administration throughout Cambodia including all areas controlled by other resistance factions.

Asked about a deadline for the Khmer Rouge to rejoin the second phase of the peace plan, Sanderson said: "We have kept the door open. We are ready to cooperate with any faction when they want to come in."

Consulate General Planned in Ho Chi Minh City

BK0408045592 Bangkok THE NATION in English 4 Aug 92 p A4

[By Yindi Loetcharoenchok]

[Text] Thailand will soon open a Royal Thai consulate-general in Ho Chi Minh City to promote and strengthen Thai-Vietnamese economic cooperation and to provide consular services to the Vietnamese and foreign residents.

The office will also look after and protect the Thai people and their interests in Vietnam, especially in southern part of the country.

Sananchat Thewahatthin, former deputy director-general of the Foreign Ministry's ASEAN Affairs Department, is awaiting a royal commission designating him the Thai consul-general to Ho Chi Minh City.

A team of Thai officials is currently in Ho Chi Minh preparing for the official inauguration of the Thai mission, which would commence operations once the approved royal commission is handed over to a deputy of the Vietnamese foreign ministry in Hanoi.

The consulate-general will be located at the former Thai Embassy.

The Foreign Ministry will renovate the two colonial-style buildings in the two rai compound as an office and residence of the consul general. Seven Foreign Ministry officials, including the consul-general and a Thai Commerce Ministry official, will be stationed there.

Sananchat said Foreign Minister Asa Sarasin had informed Hanoi during his trip there last September of the Thai wish to set up the consulate-general in Ho Chi Minh. Asa pointed to the need of the two countries to have a mechanism in southern Vietnam to promote economic ties and to solve several impending bilateral problems especially in the field of fishing cooperation.

Hanoi, which has called for a reciprocal concession, approved the Thai request when Prime Minister Anan Panyarachun visited Hanoi in January. Sananchat said Bangkok agreed to let Hanoi set up a consulate-general in Thailand, but no agreement has been reached on the location of the Vietnamese mission.

Citing national security, Thailand ruled out the Vietnamese request to establish the office in the north eastern provinces where a large number of exiled Vietnamese live. Chiang Mai or Chon Buri provinces have been offered as alternatives, but Hanoi is yet to respond.

Sananchat said the Thai consulate-general will promote economic ties and resolve problems facing Thai investors and traders operating in southern Vietnam.

Ninety per cent of Thai investments and 80 per cent of foreign investment in Vietnam are in the south.

As of May this year, 27 Thai companies were registered to operate or start business with Hanoi in banking, fisheries and trade.

Sananchat said he plans to establish an information centre or data bank in the office to provide information and facilitate contacts between the Vietnamese government office and Thai businessmen.

The information will constantly be updated and sent back to the Thai government and private companies interested in investing in Vietnam, he added. At the same time, the mission in Ho Chi Minh will handle consular services such as issuing visas to Vietnamese people and foreign residents who want to come to Thailand. It will also provide legal advice to Thai merchants and investors there.

Apart from economic affairs, the Thai office will try to promote and strengthen social and cultural ties. The mistrust of the two countries has ended and Thailand wants to be a friend of Vietnam, he said.

"The consulate general will also provide public relations services to establish good understandings between the two countries. Thailand and Vietnam had a bitter history, and we (the consulate- general) have to contribute to strengthening friendship and trust," said Sananchat.

The economic and developmental experience that Thailand possess could help Vietnam a great deal, Sananchat said.

He quoted Prime Minister Anan Panyarachun saying that Thailand has to help Hanoi in its economic recovery as "an economically advanced Vietnam will benefit peace and security in the region."

Anan Defends Reshuffle of Military Leadership

BK0308132092 Hong Kong AFP in English
1306 GMT 3 Aug 92

[By Charles-Antoine de Nerciat]

[Text] Bangkok, Aug 3 (AFP)—Thai Prime Minister Anan Panyarachun predicted Monday there would be no military backlash against his decision to remove top armed forces commanders following the killings of scores of anti-government demonstrators this year.

Anan stressed he was "not out to crucify the military," and insisted that his decision last week would lead to greater professionalism among the military leadership.

During an interview with a group of foreign correspondents, the 59-year-old premier also said the shakeup was "a step in the right direction" towards stopping military interference in Thailand's politics. But, he warned, further efforts would be necessary to guarantee non-interfence by the powerful officers' class.

Kaset Rotchananin, who held the dual positions of supreme commander and air force chief; Itsaraphong Nunpakdi, the army commander, and other generals involved in the brutal suppression of the May demonstrations here were removed by Anan and transferred to non-active postings. Anan insisted however that their actions during the protest had been within the law.

Anan, who since taking over in June has changed the law to abolish special powers given to the military to quell unrest, said a Defence Ministry investigation conducted into the killings had, however, concluded that "there was an error of judgment on the part of the commanders."

Asked whether he feared a military backlash, he replied: "No, I'm not overly concerned."

"I believe that I'm sufficiently objective and I tried to preserve the institution of the armed forces. I'm convinced that the latest moves will in fact strengthen the professionalism and the integrity of the armed forces," he said.

Anan firmly rejected suggestions that he had taken "steps against the military."

"I'm not against the military. I'm not out to crucify the military," he said.

Anan was speaking as a closed door military cermony was being held at an army installation during which General Wimon Wongwanit formally took over as army commander, traditionally the most powerful military position in Thailand, from Itsaraphong.

The 58-year-old Wimon, who is widely regarded as apolitical, has ruled out military coups as "obsolete" and promised that he would see to it that soldiers stayed out of politics.

Anan said that "there were excesses on both sides" during the riots, sparked by the appointment in early May of former armed forces chief Suchinda Khraprayun as prime minister, though he had not been elected to parliament.

Suchinda, Itsaraphong's brother-in-law, resigned after the killings to be succeeded by the widely respected Anan. Anan dissociated himself from attacks vented against the military particularly in the press, saying that some "disparaging remarks" against the army had been "quite grotesque." He said Thailand was now "back to normal" although he stressed that he was concerned about the large number of people still missing since the May confrontations here. About 250 people are missing, according to a government estimate. Private organisations put the figure at more than 450.

Anan said he was to hold a meeting Tuesday with the former military commanders and their successors to "tell them of my government's concern (over the missing) and to direct them to exert greater efforts in cooperating with the civilian authorities" in accounting for them.

Further on Anan's Remarks

BK0408065592 Bangkok THE NATION in English 4 Aug 92 p A1

[Excerpt] Prime Minister Anan Panyarachun said yesterday his decision to replace top military leaders involved in the May 17-20 bloodshed was based on the Defence Ministry investigation committee's recommendations aimed at bringing about national reconciliation.

He said he hoped the change in the military leadership "would usher in a new era" for Thai society in which there would no longer be divisiveness between the general public and members of the armed forces.

Anan, speaking to reporters, also said he had summoned military leaders to Government House today to discuss ways to solve the lingering question of people who went missing in the aftermath of the bloody crackdown.

Clarifying his decision on the military reshuffle, he said although the military leaders in question had followed "correct procedures" under the then-National Peacekeeping Act, their decisionmaking and the way they handled the unrest were "inappropriate".

The prime minister described the military crackdown against pro- democracy protesters as "excessively violent".

"I assure you that what I did, I did in good faith. I did not do it to earn praise. My decision is just and in agreement with the military's recommendations," Anan said. "The defence minister and the Defence Ministry's committee recommended that certain individuals in some positions be replaced."

He said he had Defence Minister Banchop Bunnak's consent to follow the recommendations of the Defence Ministry's investigation committee.

"I did it (the military shake-up) to protect the military establishment as well as individual officers. One has to show his political responsibility and do whatever needs to be done," Anan said.

The prime minister said the Defence Ministry investigation committee chaired by Deputy Supreme Commander Phichit Kunlanawit would continue to look into other aspects of the May incident. He said it would come up with short-term and long-term measures aimed at restoring public confidence in the armed forces but did not elaborate.

Anan said the Defence Ministry would decide when to release the investigation committee's findings. [passage omitted]

General Wimon Assumes Command of Army

BK0308144992 Bangkok Army Television Channel 5 in Thai 1230 GMT 3 Aug 92

[Text] At the Army auditorium this afternoon, a ceremony was held during which newly appointed Army commander General Wimon Wongwanit took over the position of Army commander from Gen. Itsaraphong Nunphakdi in accordance with a royal command issued on 1 August, appointing Deputy Supreme Commander Gen. Wimon Wongwanit as Army commander and Army commander Gen. Itsaraphong Nunphakdi as deputy defense permanent secretary.

During the ceremony, former Army commander Gen. Itsaraphong said that he felt very grateful for the act of royal kindness in giving him the new post. Gen. Itsaraphong said that no matter in which position he serves, he would be loyal to his majesty the king forever. He believed that the new Army commander will be able to lead the Army to carry out its duty in defending the nation, religion, and the king well because he is highly efficient and a good leader.

Newly appointed Army commander Gen. Wimon said that he will follow the policies which have been implemented by the Army. He will carry out his duty with a full sense of devotion, diligence, capability, and honesty to bring greater prosperity and progress to the Army.

Military Reshuffles Not Related to Investigations

BK0308145492 Bangkok Army Television Channel 5 in Thai 1230 GMT 3 Aug 92

[Text] Deputy Army commander General San Siphen said that the transfer of military leaders had nothing to do with the results of the May event investigation. He said that Deputy Supreme Commander General Phichit Kunlawanit, chairman of the military investigation committee, will report on the results of the investigation by himself. The issue should be settled now.

[Begin San recording, in progress] The issue should be settled now. I would like to see an end to it. Why should there be more demands? [end recording]

Need for Military To Recognize Democracy Viewed

BK3107030792 Bangkok THE NATION in English 31 Jul 92 p A6

[Editorial: "A Lasting Partnership for Thai Democracy"]

[Text] The mass media had better stop pestering army generals with questions about the possibility of another coup. What can the reporters expect from these questions?

No general in his right mind would dare reveal he is actually contemplating a military takeover or that he would support such an attempt. The mere utterance of these thoughts would be sufficient grounds for criminal prosecution for sedition. If a general says he cannot rule out more coups in the future, he may be in political trouble even though he is telling the truth. Can anyone be 100 per cent confident that the coup on Feb 23, 1991, was Thailand's last?

When confronted with questions about coups, it is now fashionable for military leaders to dismiss them as "obsolete" means of resolving political crises. Gen Suchinda Kraphrayun, while he was army chief during the Chatchai administration, repeatedly dismissed rumours about him planning a coup. But on Feb 23, 1991, he suddenly felt a coup was "necessary" and had no hesitation in ordering his men to seize government power. This showed how worthless all the "no coup" assurances from top generals really were.

On Wednesday, Gen Yutthana Khamdi, deputy army chief of staff, ventured to give the public another assurance that the army "will not interfere in any political affairs outside its legitimate duty". At the same time, the army "will support the democratic rule of constitutional monarchy" and "agree with the people that coups are things of the past that must never again be used because they constitute a debilitating obstacle to national development".

If this assurance truly reflects a general consensus in the army, then it is a welcome development. It would mean that, for the first time, the army recognizes the fact that coups are not only obsolete in Thai politics but also detrimental to the country's economy.

The May crisis has led to the forging of a new solidarity among pro-democracy forces and taught their leaders how to mobilize the general public to defend freedom and liberty and oppose illegitimate authoritarian rule.

Any group attempting a coup in the future will have to clash with the broad-based pro-democracy forces and cope with a general strike. The only way future coupmakers can hope to seize power is by slaughtering a large number of protesters and turning Thailand into a second Burma. If the army keeps the pledge to side with the people, then no coup attempts can succeed.

Gen Yutthana may have his reasons to voice objections to the reported impending transfer of his boss, army chief Gen Itsaraphong Nunphakdi, to some relatively less-powerful post. His show of personal allegiance to his boss may look good in the eyes of many military officers. But to outsiders, such attachment to an individual leader goes against the age-old military tradition of putting national interest before personal interest, and making personal sacrifice to defend the army's good name and the nation's independence.

According to military tradition, a leader also takes full responsibility for all wrongdoing on the part of his subordinates. The shooting of demonstrators during the May crisis was clearly a cruel and excessive use of force against the unarmed civilians. Senior officers demean themselves with the outlandish claim that inexperienced army troops panicked in the wake of provocation from the demonstrators and fired their assault rifles by accident. Video tapes of the shootings clearly show that the soldiers—who were never in any immediate danger—deliberately fired at the demonstrators.

Though the public has yet to see the findings and recommendations of the Defence Ministry's investigation team, we can safely assume that the team must have found the violent military crackdown on the demonstrators an unnecessary and excessive use of force. Otherwise Gen Yutthana would not have objected to taking the team's findings into consideration in the reshuffling of top-level army officers.

Gen Yutthana only undermines his credibility by voicing these lame objections. People will not believe what he says about the army siding with the people in defending democratic rule if he puts the need to save his boss' face before the duty to show responsibility and accept civilian rule. If Gen Yutthana cannot stand seeing his boss transferred, then he should volunteer to move with his boss or leave the army altogether.

Those who remain in powerful posts in the military must learn to adjust themselves to live with the new notion that they are responsible for their subordinates and accountable to the taxpayers. They must also understand the legitimate right of the people to oppose abuses of power and misconduct by individual military leaders. Such opposition must not be mistaken as an "anti-military" attitude.

No one and no group in this country can benefit from inflaming "anti-military" sentiment. The people need the army to help deter all coup attempts. This partnership will work if the people are democratic and courageous, and the army is responsible and professional.

Vietnam

Indonesian Ambassador on Bali Treaty, Ties

BK0408124992 Hanoi Voice of Vietnam in English 1000 GMT 4 Aug 92

["Excerpts" of interview with W. Juana, Indonesian ambassador to SRV, by unidentified radio correspondent; Juana speaks in Indonesian fading into English translation; place and date not given—recorded]

[Text] Indonesian ambassador to Vietnam, Mr. Juana, says that Vietnam's adherence to the unity and cooperation among Southeast Asian countries, known as the Bali Treaty, will be beneficial to peace, stability, cooperation, and development in the region. The Indonesian ambassador was speaking to a correspondent of the Voice of Vietnam on this matter. Here is Mr. Juana:

The ambassador says that he has been following developments in the ASEAN and has many times participated in the summit meetings of ASEAN countries. And he understands thoroughly the significance of Vietnam's participation to the Bali Treaty. As for himself, this is a joyful event. This shows that Vietnam wants to be friends with other Southeast Asian countries. This is also the objective of the Bali Treaty which is to build a Southeast Asia of peace, stability, cooperation, and prosperity. Vietnam and Laos signing of the treaty has added more strength to this organization. Moreover, for the past decade the area has turned to confrontations though nations here have many similarities concerning traditional history and national culture. This event marked the new era shifting from confrontation to cooperation, friendship, and mutual assistance. This is the basis for the settlement of disputes through negotiations, the cooperation process, and rapprochement among countries in the region which [words indistinct].

On Indonesian-Vietnamese relations, the ambassador said:

The Indonesian-Vietnamese relations have developed over the past year, especially relations between the two parliaments. Over the past two years, President Suharto and Chairman of the Council of State Vo Van Kiet exchanged visits. Through these visits, leaders of the two countries reached agreements on many common problems that have strained bilateral ties in many fields.

Indonesia has cooperated with Vietnam in those fields which Indonesia is experienced such as population and family planning, agriculture, debt payment, and banking. In the near future, Indonesia will send more delegations on communication, posts, and telecommunications to discuss and promote cooperation in these fields. Besides, delegations of businessmen have come to inquire into business opportunities with Vietnam. They work together with Vietnam to cooperate for success in other fields.

Reception Marks Anniversary of Chinese Army

BK3107164592 Hanoi VNA in English 1635 GMT 31 Jul 92

[Text] Hanoi VNA July 31—Li Teh Lin, military attache of the Chinese Embassy in Hanoi gave a reception here this evening to mark the 65th anniversary of the Chinese People's Liberation Army.

Among his Vietnamese guests were Senior Lieut-Gen. Dao Dinh Luyen, vice defence minister and chief of staff of VPA [Vietnamese People's Army], and Nguyen Di Nien, vice foreign minister.

Guest and host raised toasts to the further consolidation and development of the friendship and good neighbourhood between the peoples and the two armies.

State Council Confers Award, Promotes Generals

BK3107164192 Hanoi VNA in English 1631 GMT 31 Jul 92

[Text] Hanoi VNA July 31—The State Council at its session from July 29 to 31 decided to confer Gold Star Order on General Vo Nguyen Giap, ex-Politburo member of the Communist Party of Vietnam Central Committee, ex-minister of defence and ex-vice-chairman of the Council of Ministers, for his great services to the revolutionary cause of the party and nation.

Also at this session, the State Council decided to promote Lieutenant-General Le Kha Phieu head of the General Political Department and Nguyen Trong Xuyen vice-minister of defence and head of the General Logistics Department of the Vietnam People's Army, to the rank of senior lieutenant-general.

Hanoi Raises Capital for Development Program

BK0108151592 Hanoi VNA in English 1404 GMT 1 Aug 92

[Text] Hanoi VNA August 1—The Hanoi People's Committee has adopted a programme to draw investment capital from domestic organisations and companies for socio-economic development in the 1991-95 period with a total capital of nearly 2384 billion dong (more than 200 million USD).

One of the programme's main objectives is to find the necessary capital to build infrastructural works and prepare the ground in places where industrial centres are expected to be built with foreign investments.

As an incentive, the committee has decided a land rent tariff lower than that in Ho Chi Minh City and Ba Ria-Vung Tau province and to equitize some state-owned profitable enterprises.

Another measure to raise capital is to sell the houses now under state mangement.

In the immediate future, the financial organizations of the city will borrow foreign exchange reserve from the people at preferential interest rates.

With the programme, Hanoi hopes to create a good environment to draw foreign investment for 50 projects of tourism and hotel service, the construction of the Sai Dong industrial centre in Gia Lam district, the Nguyen Khe industrial centre in Dong Anh district and the Cau Dien, Yen Hoa and Chem industrial centres in Tu Liem district, the development of leather shoes, leatherette, paper, packaging and farm produce processing industries, and the construction of a national culture par in Nghia Do-Xuan Dinh area.

Special Export Zone To Be Set Up in Can Tho

BK0208074392 Hanoi VNA in English 0605 GMT 2 Aug 92

[Text] Hanoi VNA August 2—A plan has been worked out to build a new special export processing zone in Can Tho town, some 170 km west of Ho Chi Minh City. Can Tho covers 10,000 hectares with a population of 250,000.

The Can Tho sepzone [as received] will cover 130 hectares including an industrial zone, an airport and a seaport. From 50 to 70 enterprises will be set up which will employ 200,000-300,000 workers for farm produce processing and light industries. The cost, estimated at 200 million US dollars, will come chiefly from foreign investors.

Treasury Bonds Provide Dong for Power Line

BK0408071192 Hanoi VNA in English 0624 GMT 4 Aug 92

[Text] Hanoi VNA August 4—By August 1st the State Treasury had raised 45.37 billion dong by selling Treasury bonds for the current construction of the 500kv trans-Viet power line.

Of the figure, 41.4 billion dong are from obligatory buyers which include production enterprises and other businesses and nearly 3.6 billion dong from voluntary ones. Hanoi with 20.3 billion dong ranked first among the 39 cities and provinces where the bonds were issued. It was followed by Ho Chi Minh City with 11.1 billion dong.

As interest rates for the bonds, the third series issued on July 15 by the State Treasury and guaranteed by gold, are fixed at between 4.2 and 5 percent, 1-1.5 percent higher than those for time savings accounts, many people are interested in buying the bonds. Their purchases accounted for 61 percent of the total sum raised in Thai Binh Province, 53 percent in Nam Ha and 22 percent in Ha Tay.

Government To Allocate Money for Job Generation

BK0208074792 Hanoi VNA in English 0613 GMT 2 Aug 92

[Text] Hanoi VNA August 2—The Vietnamese Governemt has decided to allocate 830 billion dong (83 million US dollars) from the state budget for job generation in the current fiscal year.

Of the amount, 350 billion dong or 35 million US dollars will be spent on staff readjustement in the state offices and enterprises and for guest workers back form foreign countries who want to quit their jobs in the state sector. 180 billion dong (18 million US dollars) will be used to fund programmes of sedentarisation [as received] and construction of new economic zones, and the rest will be loaned to small-sized projects in new settlements, job generating programs in urban areas and industrial zones, mostly in Hanoi, Ho Chi Minh City, Haiphong, Quang Ninh province, Hue, Da Nang, and Can Tho cities.

Increased Demand for Building Materials Noted

BK0208144792 Hanoi VNA in English 1436 GMT 2 Aug 92

[Text] Hanoi VNA August 2—Economic experts have predicted a sharp rise of the demand in building materials in Vietnam in the remaining years of the decade in view of the present rate of construction of houses, hotels, shops, representative offices and branches of foreign companies.

Building materials output increased noticeably in 1991: steel by 102 percent, cement by 111.4 percent, brick by 30.5 percent, and tile by 56.9 percent compared with 1985. However, that could meet only part of the demand.

The two steel rolling complexes in the north and the south of Vietnam, last year produced 130,000 tons of rolled steel or only 30 percent of the demand. The ramaining sevently percent was imported from China and the former Soviet republics. Some 40 foreign companies have shows their interest in steel production in Vietnam. The feasibility studies for a steel plant in central Vietnam are in an advanced stage.

Vietnam has four major cement plants, Hoang Thach, Bim Son and Haiphong in the north, and Ha Tien in the south, which altogether turn out 3.1 million tons of cement a year while it needs no less than 5 million tons at present. A big cement plant will be built in central Vietnam in joint venture with Japan.

Vietnam now produces 50 million pieces of floor tile a year or only one third of the demand. The Thanh Thanh floor tile factory in Ho Chi Minh, one of the main floor tile producers, is cooperating with Italy to raise its capacity to 88 million pieces a year from 15 million at present.

Project Started To Help Conserve Biodiversity

BK0108080692 Hanoi VNA in English 0749 GMT 1 Aug 92

[Text] Hanoi VNA August 1—An international project has been launched to help in the conservation of biodiversity in Vietnam.

The project is undertaken by Global Environment Facility (GEF), a comprehensive programme aimed at giving special consideration to global environmental problems.

The first phase of the project was signed in Hanoi on Friday between Vietnam's Government and the United Nations Development Programme, at a ceremony attended by Phan Xuan Dot, minister of forestry; Prof. Le Quy An, deputy head of the State Committee for Sciences; and senior officials from the State Planning Committee and the Office of the Council of Ministers.

Also participating in the ceremony were Mr. Luiga Faumui, UNDP acting resident representative; Mrs. Victoria Heymell from the International Union for Conservation of Nature and Natural Resources (IUCN); and Mr. Roger Cox from World Wildlife Fund International (WWF).

It is reported that population pressure combined with decades of war have stripped Vietnam of half of its forest cover and many rare species have become extinct. The remaining valuable endemic species are increasingly threatened as ever-growing economic lead to the clearing of 100,000-200,000 hectares of natural forest every year. Remote sensing data indicate that only about 2 million hectares of primary forest remain.

To protect the remaining natural forests, the government has proposed an extensive system of forest reserves and national parks. This system of reserves is only a starting point for the conservation of biodiversity. Many of the reserves are too small and too damaged for effective biodiversity conservation. The present habitat coveragee does not encompass the full diversity of the country's endemic species and botanic distinctiveness.

The government has made a good start in the conservation of biodiversity. Further progress in this area is not only constrained by an inadequate capacity to plan and manage biodiversity conservation activities and a severe shortage of funds to devote to these activities, but by the lack of trained personned. To meet the need for extension to some existing reserves and protected areas, and to draft long term plans for the protection of biodiversity, the government requires both further training for its practitioners in the short term and for its planners in the longer term as well as funding. The GEF project will be funded by a USD 2,999,959 grant from the GEF core fund and an in-kind contribution of dong 856,200,000 from the government. It will promote conservation of the remaining forest cover and protect biological diversity by strengthening the government's capacity to implement projects in this area.

Upon the project's completion, Vietnam will be better equipped to undertake future conservation initiatives through GEF and other funding mechanisms for model projects in protected area development, buffer zone establishment, regreening the bare midlands, and the sustainable utilization of natural living resources, including marine areas.

Population Resettlement for Sedentary Farming

BK0408072592 Hanoi VNA in English 0614 GMT 4 Aug 92

[Text] Hanoi VNA August 4—For more than 24 years now Vietnam has made it a policy to help shifting cultivators settledown to sedentary farming. This policy has yielded quite good results but much still remains to be done to bring the work to completion.

Vietnam has 54 ethnic groups, with 8,475,000 people of minority origin. Of the minority groups, some have a population of several million. Among the smallest groups is the O Du, which has around one hundred inhabitants only.

The educational standards and living conditions of ethnic minorities are still much worse than those of the Kinh, the ethnic majority, and those ethnic communities that dwell in lower areas of the highlands.

In an exclusive article for Vietnam News Cu Hoa Van, deputy director of the government's Office of Mountain Regions and Nationalities, said that for the past 24 years and more, large sums have been spent on the settlement of shifting cultivators. As many as 2 million and more people of ethnic minority origin have taken up the new mode of life and are doing much better than before. Thanks to commodity production, several areas inhabited by resettlers have thrived. Mention can be made of Dai Son and Vien Son in Yen Bai Province and Chu Dang and Chu Se in Darlac Province.

The K'hor who formerly wandered from place to place looking for patches of land where they could practise slash-and-burn farming are now living a quiet life and are engaged in the family economy, growing rubber, coffee, tea... and other cash crops. The H'mong in the Bac Ha are seen now engaged in horticulture. Shifting cultivators can make a decent living from sedentary farming because they have been given advice on how best to adapt themselves to commodity production. They owe their present stable life to aid and assistance give by the state through the setting up of infrastructure and services such as roads, safe water supplies, schools, infirmaries and other necessities of life.

These are just the brighter side of some areas inhabited by ethnic minorities. Everything is not yet plain sailing, and many new settlers are still beset by difficulties. They do not earn enough to live on, thereby, having no adequate food and clothing.

As the resettlement of people for sedentary farming constitutes a major programme for the whole country, the state is calling on all sectors and services to help implement it in a concerted and planned manner. Efforts are focussed on combination of advanced technology and the traditional practices of each group, the provision of the two most urgent needs, food and safe water; construction of rural roads to ensure access for goods and passenger transport; the allocation of agricultural and forest land for long-term use and management by individuals; and necessary funds for every locality and every newly-resettled household to begin producing and build facilities for their new undertaking.

In order to establish a firm basis for the programme, the average sum of money needed for each resettled household would be around 1,000 dollars, but only 100 dollars, or one-tenth of the amount, can be provided by the state now.

This problem can only be properly solved if the localities targeted by the programme and the resettled people themselves are willing to provide some of their own facilities. The state itself will have to allocate large sums from its own budget to provide, to a limited extent, for the lack of funds of resettled households. It should also seek aid and assistance from international organisations in the provision of facilities such as roads, water and energy supplies, and production equipment.

Kiribati

Chinese Parliamentarians Begin Visit

BK0108093292 Melbourne Radio Australia in English 0500 GMT 1 Aug 92

[Text] A group of 15 parliamentarians from China is visiting Kiribati. The delegation is led by Mr. Peng Chong, the vice chairman of the National People's Congress. They have met the president, Mr. Teatao Teannaki, the government leaders as part of their goodwill visit. The Chinese parliamentarians have also met their Kiribati counterparts in Tarawa at the national parliament and discussed bilateral relations and South Pacific and international affairs.

The Chinese leader, Mr. Peng Chong said in his opening address the visit would strengthen ties between the two countries and promote the steady development of Sino-Kiribati friendship. It is the first time a team of parliamentarians from China has visited Kiribati at the invitation of the Kiribati's parliament.

Papua New Guinea

Former Premier Somare Becomes Opposition Leader

BK0308075292 Hong Kong AFP in English 0717 GMT 3 Aug 92

[By Wally Hiambohn]

[Excerpt] Port Moresby, Aug 3 (AFP)—Sir Michael Somare, who is regarded as Papua New Guinea's father of the nation and "big man" to everyone from Prime Minister Paias Wingti down, was elected leader of the opposition on Monday.

Somare, 57, the country's first prime minister after it gained independence from Australia in 1975, won his new role in a vote by the Pangu Party caucus following the resignation Sunday of his protege, former prime minister Rabbie Namaliu.

Somare's election raises a novel political teaser in this country in which the Westminster parliamentary system sits curiously at odds with a social structure based on deference to the tribal "big man."

It remains to be seen how parliament will adjust the having an opposition leader whose status is regarded by everyone as being greater than that of the prime minister himself.

The Pangu caucus appears to have ruled out the possibility of another term as prime minister for the charismatic Somare. He has already announced that he will retire from politics at the next election.

Pangu officials said the party had agreed to an arrangement in which he would hand over leadership to his Somare's deputy Jack Genia in March 1993.

This would give 44-year-old Genia ample time in which to prepare himself to challenge Wingti for the prime ministership through a vote of no confidence.

Under new parliamentary regulations, Wingti has 18 months as prime minister before he can be challenged through a no-confidence motion, but would be unwise to count on any more.

The parliament meets Tuesday for the first time since Wingti won the prime ministership by one vote from Namaliu on July 17.

Wingti has promised a major statement on government policies on Thursday. [passage omitted]

Rebels, Civilian Killed in Bougainville Clashes

BK0408060492 Melbourne Radio Australia in English 0500 GMT 4 Aug 92

[Text] Reports from Port Moresby say six rebel fighters and a civilian have been killed in clashes on Papua New Guinea's [PNG] Bougainville Island at the weekend.

The PNG Government's Bougainville administrator, (Sam Tuluo), says the six rebels died in the clashes in central Bougainville.

Earlier, the National Broadcasting Commisison in Port Moresby reported a civilian was killed and another wounded in a shootout between the PNG security forces and members of the Bougainville Revolutionary Army at (Turokino) on Sunday. Three soldiers had also been wounded in the action.

The radio said that two other clashes occurred at (Bunatai) in central Bougainville. These skirmishes had left three soldiers suffering shotgun pellet wounds.

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